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# Latin America Report

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7 June 1985

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CARIBBEAN CONGRESS OF LABOUR WEIGHS ANTI-UNION CLIMATE

Bridgetown SUNDAY ADVOCATE in English 21 Apr 85 p 2

[Article by Avonda Scott]

[Text]

The Caribbean Congress of Labour will be putting a number of burning labour issues affecting some regional countries before labour ministers when the ministers meet this week in Jamaica. The occasion will be the Caricom Labour Ministers Conference, to be held from tomorrow until Friday.

Secretary-Treasurer of the CCL, Mr. Kertis Augustus, said yesterday that unemployment throughout the region and labour legislation as it affected the whole process of collective bargaining were areas that needed addressing urgently.

Mr. Augustus regretted that in 1985 certain anti-union practices had developed in some regional countries. Some workers were denied the right to organise and bargain collectively.

The anti-union stances come not only from business people and investors, as Mr. Augustus noted. He said that in Montserrat the Government of the People's Liberation Movement has tried to ban trade unions and this ran contrary to the International Labour Organisation Convention and moreso to the democratic principle of freedom of association.

This Convention states, among other things, that workers shall enjoy adequate protection against acts of anti-union discrimination in respect of their employment.

The ILO Convention No. 98 also states that such protection shall apply more particularly in respect of acts calculated to:

—“make the employment of a worker subject to the condition that he shall not join a union or shall relinquish trade union membership”;

—“cause the dismissal of or otherwise prejudice a worker by reason of union membership or because of participation in union activities outside working hours.”

“There is still a problem where trade unions have to take industrial action to prove to management that they still control the enterprise (in terms of production),” Mr. Augustus said.

The CCL Secretary-Treasurer said Caribbean Labour Ministers were informed in 1983 that whereas the labour movement recognised there was high unemployment it will not allow workers to be exploited “to that end.”

He said this matter was also addressed to Caribbean labour administrators.

Mr. Augustus submitted that if investment was to be encouraged in this region the investment climate must be good. But he said the investment climate could not be good if workers were denied the right to belong to a trade union.

Indeed, the CCL has informed the American Federation of Labour-Congress of International Organisations (AFL-CIO), based in the United States, that a number of Caribbean Governments had indicated they were going to amend bits and pieces of labour legislation so that U.S. investors would recognise that there were trade unions.

Barbados is one island that plans to progress its labour legislation further to include this.

Antigua is an island with which the CCL has a major quarrel.

Mr. Augustus said that as a result of a Cabinet decree, permanent secretaries in that island were directed not to engage in any further negotiations with trade unions with respect to wage increases.

"What you are having in that island is a big wage freeze. This takes place without any prior consultation with unions. They

have taken a unilateral decision which seriously affects the collective bargaining process."

"Once Government could embark on that kind of behaviour it will set the tone for other employers to follow suit," Mr. Augustus said.

He said also that in Dominica the External Trade Bureau had said they would not discuss anything with the Allied and Workers General Union of that country.

Mr. Augustus said there was chronic unemployment in the region, but it was aggravated when employees were wrongfully dismissed, or where they faced retrenchment.

He agreed that there were times when, because of the current economic situation, some companies could not continue to carry the level of workforce that they have. He felt that in such a situation they should sit down with the trade unions and discuss such matters.

"Trade unions will be satisfied that all possibilities have been exhausted before workers go on the unemployment market," he said.

Mr. Augustus was also asked to comment on the charge by the local National Union of Public Workers (NUPW) that workers at the Barbados National Bank

had been denied the right to full representation by that union.

General-Secretary (Acting) of the NUPW, Mr. David Bowen, said recently that his union was allowed to handle grievances of BNB workers, but has been denied the mandate to bargain for salaries on behalf of those workers.

The union has drawn the matter to the attention of the ILO.

Mr. Augustus said the CCL was trying to have an ILO-sponsored seminar in the Caribbean in November. He said one of the questions to be addressed at that seminar would be how certain ILO departments could be used to highlight breaches and violations of trade union rights.

"The bank is the 'national bank' and yet management seems to want to deny workers the right of full representation by a union," Mr. Augustus said.

He added that he could not understand why that matter had not yet been resolved. He thought the NUPW was very tolerant.

"To a certain extent, workers are probably not as militant as they should be. There is no reason why a union should embark on strike action to prove to employers that they have the majority," the CCL Secretary-Treasurer said.

CSO: 3298/680

OECS CONTINUES OPPOSITION TO WORLD BANK LOAN POLICY

Bridgetown BARBADOS ADVOCATE in English 1 May 85 p 3

[Text]

ST. GEORGES Grenada Tuesday (CANA) — The Organisation of Eastern Caribbean States (OECS) intends to continue its fight to overturn a World Bank decision to exclude its seven member nations from the bank's interest-free arm, Grenada Prime Minister Herbert Blaize said.

"Although efforts to date have been futile, the OECS countries intend to continue in their attempts with the help of such friendly World Bank countries as would provide them to get the board of directors to reconsider this decision," Mr. Blaize said.

The move means that OECS states are no longer eligible for loans from the bank's soft window, the International Development Association (IDA) because their per capital incomes are above the ceiling set for the world's least developed nations.

"The use of the per capita income as the basis for determining the economic wealth of a country cannot really be applicable to small states such as Grenada, and may even be dangerously misleading," Mr. Blaize told Parliament.

He said that the basic infrastructure and utilities essential for the maintenance of a minimal standard of living in OECS states are generally non-existent or in some cases could be characterised as of low standard.

"massive amounts of capital inflows on soft terms are, therefore, necessary if these islands are to develop out of their present impoverished conditions," he added.

Mr. Blaize said the reality of the situation is that although the Western Industrialised nations are emerging from the worst economic recession since the 1930s, the recovery was slow in extending to developing countries.

Industrialised nations, he said, had done little to remove barriers to free trade and protectionism in several forms continued to exist in the global economy.

Additionally, he said, the strong value of the U.S. dollar last year coupled with a marked decline in the pound sterling created problems for developing countries especially those like Grenada whose currency is pegged to the American dollar.

CSO: 3298/680

SIGNS OF PROGRESS IN BARBADOS-TRINIDAD RELATIONS REPORTED

New Barbados Envoy

Port-of-Spain EXPRESS in English 6 May 85 p 3

[Text]

BRIDGETOWN, Barbados, Sunday (CANA) — Career public servant Walter Burke is to be Barbados' new High Commissioner to Trinidad and Tobago, government sources said today.

Burke, 55, was appointed High Commissioner to Grenada last year but the government had indicated that his term of office would be short and depended on the time Barbados servicemen remained in Grenada on security duties.

He has been in the Public Service since 1947 and has worked as

a foreign service officer and in the Caribbean Community Secretariat before being promoted to permanent secretary in 1976—a position he held until his diplomatic posting in St George's.

The sources said the Barbados government had no objection to the appointment of Reginald Dumas as the new Trinidad and Tobago envoy to Bridgetown.

The exchange of high commissioners, which is expected to take place shortly, reflects an improvement in relations between the two countries.

Tull Comments

Port-of-Spain EXPRESS in English 11 May 85 p 30

[Text]

BASSETERRE, Friday, (CANA) — Trinidad and Tobago and Barbados, which have been discussing trade, civil aviation and other matters to improve economic co-operation, are likely to announce an agreement shortly, Barbados Foreign Minister Louis

Tull said today. "Things are going well ... in not many weeks we will be able to come to the end of our discussions and come out with a new memorandum for action for the future," Tull told CANA during a break in the Caribbean Community (Caricom) Foreign Ministers meeting here.

He added: "We have been having on-going discussions at ministerial level with the Government of Trinidad and Tobago, over the last two months or so. A number of outstanding issues between the two countries have been discussed in detail, and we are pretty close to coming to an end of our discussions and final agreement on the areas that are outstanding."

CSO: 3298/671

SIMMONDS, MAHABIR REMARKS AT CARICOM MEETING CITED

Port-of-Spain EXPRESS in English 10 May 85 p 53

[Text]

**BASSETERRE, Thursday, (CANA) —** Foreign Ministers of the 13-nation Caribbean Community (Caricom) began their annual review of economic and political developments in the region and beyond here today.

The conference began with Caricom Secretary General, Jamaican Roderick Rainford, noting that the ministers are meeting at a time of complex challenges posed by the regional and global political and economic outlook.

St Kitts Prime Minister and Foreign Minister, Dr Kennedy Simmonds announced that delegates will be examining the question of possible observer status for Caricom at the United Nations.

Simmonds also asked ministers to consider Puerto Rico's offer of \$700 million (U.S.) worth of economic and financial aid and investments to its neighbours in the Caribbean.

The meeting will also look at Cari-

com/Latin American relations, apartheid in sports, maritime affairs, and, according to Belize Foreign Minister Dean Barrow, the issue of United States economic sanctions against Nicaragua will also be raised.

Simmonds devoted most of his speech to reviewing subjects that will be raised during the next two days of the conference.

Trinidad and Tobago's Foreign Minister Errol Mahabir, responding to Dr Simmonds' speech, noted that little progress had been made in eliminating the factors which hamper the search for world peace and economic stability.

"Trade imbalances, a recession, and their attendant consequences have promoted national and regional mores of protectionism and inaccessibility to export markets," said Mahabir.

"These measures have increased the vulnerability of small states, and developing regions as a whole," he added.

CSO: 3298/671

LATIN AMERICAN OFFICIALS URGE JOINT NEGOTIATION ON DEBT

PA140218 Havana International Service in Spanish 1800 GMT 10 May 85

[Text] Uruguayan Senator (Juan Adolfo Sulgeres) of the governing Colorado Party has stated in Washington that his country is willing to join a Latin American debtors club to jointly negotiate the regional foreign debt, which is over \$360 billion.

The senator said that Uruguay's only condition for joining the club is that Brazil, Mexico, Argentina, and Venezuela also form part of it. These four countries' foreign debt represented 75 percent of the total Latin American debt.

The Uruguayan legislator is participating, together with other Latin American political leaders, in the conference on democracy in South America, which is taking place in Washington under the sponsorship of the Institute [words indistinct] United States for International Affairs.

Many participants at this conference have said they are disappointed in the way the United States views Latin America's grave foreign debt problem and with the absence of a valid interlocutor at the meeting.

Former Venezuelan foreign minister, Artistides Calvani, has said that the United States is analyzing the foreign debt from a biased point of view that considers the economic aspect only and ignores the fact that the debt is a problem of a political nature.

Calvani said he had gone to the conference expecting that there would be a dialogue with important leaders of the Democratic Party, but at the meeting there were only minor level members of that U.S. political group.

Uruguayan Senator Juan Raul Ferriera said that the only positive aspect of the conference is that there was an exchange of ideas between Latin American political leaders of various leanings and political parties. But to do this, he said, there was no need to come to Washington.

CSO: 3348/647

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INTER-AMERICAN AFFAIRS

BRIEFS

CANA GAINS--CANA, the Caribbean News Agency, has produced a newsletter which it says "is to keep CANA's owners, subscribers, correspondents... up to date on developments within and affecting the regional agency." The newsletter notes the enhanced potential of the Agency as a result of the computerisation of its editorial operations, and the inauguration of a radio service, due largely to financial support from the Federal Republic of Germany, and expert technical assistance from UNESCO. During the first quarter of 1985, 14 media organisations opened subscriptions to CANA's news, feature and radio services. These include Radio Marti, a U.S. Government owned station; Xinghua, the Chinese News Agency; and DPA, the German News Agency. Other subscribers who came on stream included the Miami Times newspaper; Caribbean Up Date; the Jamaica Caribbean American Quarterly in Chicago; the Amigo newspaper in Curacao; WCOC F.M. radio station in Huntsville, Alabama, Radio Hoyer in Curacao, Radio ZIZ in St Kitts-Nevis and Radio ZDK in Antigua. [Excerpts] [Kingston THE DAILY GLEANER in English 29 Apr 85 p 3]

CSO: 3298/671

ARGENTINA

POLL SHOWS DROP IN UCR SUPPORT

PY080235 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1345 GMT 5 May 85

[Text] Buenos Aires, 5 May (NA)--The Radical Civic Union [UCR] has reportedly lost "considerable" support among voters, falling from 54 to 32 percent, although 64 percent of those polled say they are "very satisfied" or "satisfied" with the government headed by Raul Alfonsin, according to a poll carried out by the Burke Researchers and Market Analysis Company.

The result of the poll, which is published today by the newspaper LA NACION, shows that the Peronists have also lost support among voters. But they only lost 3 percent, since they decreased from 17 to 14 percent.

But the Intransigent Party increased in support from 8 to 14 percent, while the Democratic Center Union increased in support from 2 to 5 percent.

The poll, which was carried out under the supervision of Hector Pessah, from the Burke Company, also shows that the proportion of undecided voters increased from 15 percent to 29 percent.

The poll was carried out after the Plaza de Mayo rally that was called by President Raul Alfonsin and the number of people who were polled totaled 600 persons, who came from the federal capital and surrounding areas, but their social status was not specified.

The majority of those polled regarding the government's actions in the economic sector issued negative answers in comparison to how they reacted on the same issue in 1984; while regarding social works, like housing, nutrition, rent, positive answers increased from 12 to 14 percent and from 29 to 45 percent, respectively.

About the increase in prices and the cost of living, only 8 percent of those polled believed that results were either very good or good. However, regarding the foreign debt, 30 percent of those polled said they believed results were good or very good while in March 1984, this percentage totaled 33 percent.

The salary policy was considered to be either very good or good by 15 percent of those polled, 3 months ago 30 percent of those polled were satisfied

with this policy, while regarding employment, there was a decrease from 20 to 11 percent.

Regarding the trial of the former commanders of the three military juntas, 43 percent of those polled said that "it will help a lot to reconcile Argentines," 31 percent said that "it will help some," and 18 percent said that "it will neither help nor harm" to reconcile the Argentine people. Only 5 percent of those polled said that it could be harmful.

Of those polled, 65 percent believed that the government should adopt stronger measures against those military officers who committed excesses while 5 percent believed that it should be more tolerant.

Regarding a possible military coup, 68 percent believed that this possibility is quite remote or very unlikely to happen.

The acceptance of the government's actions regarding issues related to national and foreign policy was quite higher, although only the issue related to the border dispute with Chile obtained greater support than that obtained in March 1984. At the time the government obtained 54 percent, while this time it obtained 59 percent.

As for the treatment of the cases of missing persons, and excesses committed during the struggle against subversion, 66 percent of those polled believe that the government is handling these cases either very well, or well.

As for interest rates, the reorganization of unions decreased 14 percent [as received]; regarding freedom of the press it decreased from 83 to 79 percent; regarding the conflict with Great Britain it decreased from 52 percent to 48 percent; regarding the reorganization of the Armed Forces it decreased from 62 percent to 56 percent; and regarding the handling of television channels, it decreased from 49 to 34 percent.

The Burke poll also requested people to assign from 0 to 10 points to several government officials. The result is as follows: with the exception of Foreign Minister Dante Caputo and Defense Minister Raul Borras, who were able to maintain their mark, 7 and 6 points, respectively, all other officials decreased in their marks.

President Alfonsin went from 8 to 7; Vice President Victor Martinez from 7 to 5 points; Interior Minister Antonio Troccoli from 7 to 5; Education and Justice Minister Alconada Aramburu from 6 to 5 points; Public Health and Social Action Minister Aldo Neri, Public Works and Services Minister Roque Carranza, Delich y Saguier, Buenos Aires mayor, all from 6 to 5; while Labor Minister Barrionuevo and Economy Minister Sourrouille obtained 5 points.

Regarding the "government's acceptance," 5 percent of those polled said they were "very satisfied"; 25 percent said they were "quite satisfied"; 34 percent said they were "satisfied"; 23 percent said they were "slightly satisfied"; and 12 percent said they were "not satisfied." There was a drop from 40 percent to 30 percent among those who said they were "very satisfied" or "quite satisfied" in comparison with last year's poll.

ARGENTINA

POLL SHOWS DECLINE IN GOVERNMENT SUPPORT

Buenos Aires SOMOS in Spanish 10 May 85 pp 8-12

[Article by Tabare Areas: "Whom Argentines Would Vote for Today"]

[Text] Perhaps reflecting the country's mood, the Argentine electoral map has been undergoing deepseated changes, and is no longer the same as it was during the 1983 elections. At the moment, currently, 47 percent of Argentines do not know for whom they will vote in the congressional elections next November, showing a great upsurge in those "undecided." It should be explained that, in an opinion poll taken by SOMOS and A & C last November, the undecided totaled 40 percent. This loss of political clarity or decision among the electorate also applies to the image of Raul Alfonsin, because his consensus has experienced the attrition inherent in power: 37 percent of those polled have a "good" opinion of the president, while 48 percent have a "fair" opinion and 9 percent a "poor" opinion of him.

Within 6 months of the congressional elections, a 47 percent undecided shows that much of the electorate feels "disappointed" by the Radical and Peronist parties, which have lost consensus. On the other hand, in the field work done by the pollsters, the only party to prove that it has grown is the Intransigent Party [PI], because at present 13 percent of the electorate is inclined in favor of it. Making a somewhat more refined political interpretation, those figures demonstrate the major setback for the Justicialist Party [PJ], since it has now been relegated to fourth place, after the "undecided" (47 percent), UCR [Radical Civic Union] (22) and PI (10). Following next are UCD [Democratic Center Union] (2), the Christian Democratic Party [PDC] (1), MID [Integration and Development Movement] (1) and other, with 4 percent of those polled.

This new poll taken by SOMOS and A & C was conducted on the basis of a representative sample in the capital and Greater Buenos Aires, abiding by the population parameters resulting from the latest census, and allows for a national projection. The poll was taken before the president spoke on 26 April at the Plaza de Mayo. The system used is the same one that enabled SOMOS to predict Raul Alfonsin's electoral victory over Italo Luder in the 1983 elections before any other news medium.

## Who Wins, Who Loses

For all intents and purposes, it is important to investigate how the "undecided" sector is composed, because those in it will (obviously) be the ones to decide the next election. For the present, there is one certain datum: Half of those who voted for the Peronist and Radical parties in 1983 would not do so again now. This means (based on the data collected by the pollsters) that 32 percent of the "undecided" originate among those "disenchanted" with the two majority parties. UCD, the Development Movement and the Christian Democratic Party also suffered a decline in the electorate's preference, but to a far lesser extent. Esther Kaplan, director of A & C Public Opinion, explained: "The previous research done on the same topic indicated that the Radical party had lost 12 percent of the votes, and the Justicialists 7 percent. The current poll adds a 10 and 3 percent loss for each of those parties. The Intransigent Party, for its part, moved from being a 1 percent loser to a 3 percent winner. The 'other' category, UCD and the Christian Democrats, who remained stationary in the previous poll, have lost, particularly the 'other.'"

When it is time to specify who the "undecided" are, the poll shows that the percentage is larger among women (50 percent) than among men (45 percent). Another important datum is that the index of "undecided" is greater among young women (61 percent) than among mature ones (48 percent) or adults (43 percent). Among the men, the index of "undecided" is equal for adults and youths (48 percent); while the figure drops among those who are mature (35 percent).

The field work also disclosed that the "undecided" are an absolute majority among those polled with a primary schooling level: 51 percent. Among those with a university education, the "undecided" total 49 percent, and they number 42 percent among those with secondary schooling. If one agrees that the Peronist vote has always had more entrenchment among voters with a lesser degree of education received (at least as a general rule), it is odd that only 13 percent of those polled in the primary schooling category said that they would vote for the Peronists, as opposed to 51 percent who expressed "indecision" and 20 percent inclined toward the Radicals. Among those who attended the university, the PI gained a significant percentage: 21 percent.

Kaplan gave the interpretation: "No one is unaware that a higher educational level corresponded with a higher percentage of Radical voters and, therefore, we infer that those most critical of the government are situated among persons with university schooling. But there is also among them a 'don't know' group which, compared with those on the primary level, does not bear much of a difference (49 opposed to 51 percent). Furthermore, it is understandable that those with university education should concentrate their highest percentages among the voters for the Intransigent Party. Their tendency toward the left prompts one to assume this: the greater the uncertainty, the greater the tendency toward radicalization."

While the attrition process caused by the governmental function is showing a loss of the electorate by the Radical party, it is important to point out that there are also appearing two sectors of the electorate which will be essential

in deciding the forthcoming congressional election: the youth and the women. The largest volume of "undecided" is grouped among them. There has been a great deal of talk about the time when Raul Alfonsin would have to "return" the votes that he had obtained among the left and the free right which opted for the UCR presidential ticket, but not for that of deputies and senators. In this connection, it was clear that the "recipients" of those "divided votes" would now take a stand on behalf of the Intransigents or Alvaro Alsogaray's centrists. But the poll shows that UCD did not undergo any sizable increase, and that its electoral profile has not changed: It is more attractive among men than among women, and more among those with a higher educational level. The PI, headed by Oscar Alende, has grown in all categories, particularly among the youth and those with university schooling, a sign reflecting what was shown during the recent mass gatherings: its by now powerful mobilization mechanism. According to the data collected in the field work, it would appear that many of those disenchanted with Peronism and Radicalism opted to situate their vote to the left of the two majority parties (the growth of the PI); whereas the right would not appear to be the inheritor of those who change the direction of their vote.

This opinion poll was taken in the capital and Greater Buenos Aires, but experience has shown that it could have national projections. In this respect, it is interesting to note how the electorate's "undecided" tendency could be broken, with the proximity of the elections and the candidates' names. The one that would appear to be facing the greatest problem is the Peronist party, because, added to the split in its congressional bloc and the lack of a homogeneous, centralized leadership, is the absence of figures "with an image" capable of competing, in the capital and Greater Buenos Aires (the Gordian knot of the forthcoming congressional elections) with the Radical, PI and UCD representatives. For the present, the Intransigents are still insistent upon putting Oscar Alende on the provincial ticket as a first candidate; something that might attract many of those "disappointed in" Peronism. The Radical party, in turn, will apparently head the district list with Leopoldo Moreau; although at the last minute the name of Jose Manuel Casella came to the forefront again. The Peronist leadership is not unaware of the fact that it will have to use the utmost resources and imagination to put candidates on its slates who are on a par with the former. In that context, the campaign was started to convince Italo Luder to head the Justicialist ticket that will oppose the Intransigents and Radicals, seeking to reverse the image that the person of Herminio Iglesias has among the electorate. Pursuing the same strategy, it is intended to offer Raul Matera the first place on the Federal Capital ticket, in order to be able to compete with candidates such as the constitutionalist, Reynaldo Vanossi (UCR), or Raul Rabanaque Caballero (PI). Also to be involved in this ploy, to solve that puzzle, will be the option that will be taken by those currently undecided; the 47 percent requires continued thinking and determination of strategies.

#### The President's Consensus

Upon speaking on the balcony of the Casa Rosada on Friday, 26 April, Raul Alfonsin "shook the political props." The pollster's work was done before that all-important event, but the results accrued are certainly valid for learning

how the electorate views the presidential image: 37 percent have a "good" impression of Alfonsin; 48 percent, a "fair" image; 9 percent, a "poor" image; 5 percent, "another" opinion; and 1 percent "don't know."

That 37 percent means that the president's consensus has declined from that in previous gauges. In October of last year (6 months ago), the president's positive consensus was 53 percent, based on a poll taken by SOMOS and A & C. However, that datum may be explained by the attrition caused by the exercise of power; but it is made relative by another that is nonetheless factual: The negative figures on the president's image are very low (9 percent "poor" and 5 percent "other"). Understandably, those voting for the Radical party are the ones with a better impression of Alfonsin (57 percent); whereas the "poor" opinion shows greater intensity among the Peronist electorate: 20 percent. Esther Kaplan explained: "The PI voters, along with the Justicialists, show the highest degree of 'fair.' It will depend on the future action of their party leaders, on the one hand, and that of the government, on the other, whether the balance seeking the lesser evil will be inclined in favor of the party in the government which it terms 'fair.' A 'fair' is always better than a 'poor.'"

There is something that continues to be the same as in October 1983: The image of Raul Alfonsin has greater penetration among women than among men. The female electorate has a "good" impression of the president in 41 percent of the cases; whereas among the male electorate that percentage drops to 33. The "fair" opinion is 44 percent among women, and among men it rises to 52 percent. Strangely enough, it is 9 percent among both when the "poor" opinion is measured. What indicates the degree of popularity, or at least the degree of interest in the presidential image is the low index (1 percent) of those who "don't know."

When one carefully observes the charts in this article, it becomes clear that mature women are the ones with a better opinion of the president (46 percent), an index which drops to 43 percent among the adults and to 33 percent among the young. This latter segment (young women), on the other hand, contains the largest percentage of "fair" among the female electorate.

Among men, the highest index of "good" opinion is recorded among mature men (44 percent); a figure which declines to 38 among adults, and to 22 percent among the young. Also among the youth, there is the largest record of "fair" (59 percent) and "poor" (13 percent). The director of A & C Public Opinion commented: "The young seem to be those who most pass judgment on Alfonsin; and men more than women."

When the pollsters asked about the presidential consensus, taking the level of schooling of those polled into consideration, they reached the conclusion that there are no major differences, at least no deeply divergent views, among them. For example, the "good" opinion recorded 38 percent among those with university education, 40 percent among those with secondary schooling and 35 percent among those with primary schooling.

The "fair" opinion received 52 percent of those with university education, 48 among those with secondary schooling and 47 percent among those with primary schooling. Kaplan remarked: "The criticism appears to come more from those with university education than from those on the primary and secondary levels, judging from the constant recorded in previous polls that the higher educational level meant greater support for Alfonsin."

In all democratic systems with a smooth operation, the president's "consensus" is usually considered a good thermometer for gauging the degree of the citizens' satisfaction with the government's action, at least in countries with a strong presidentialist tradition, such as Argentina. Since the beginning of the democratic government, SOMOS and A & C have been probing the presidential consensus, and certain references deserve to be noted again. The highest positive peak since the pollsters began gauging Alfonsin's consensus among the public occurred in the second sample, that of 18 May of last year. At that time, the "positive" consensus was 66 percent. Now, those with a "good opinion" of the president number 37 percent. On that occasion (a year ago), those who thought that Alfonsin was carrying out his mission of governing "fairly" totaled 36 percent; whereas now that figure has risen 12 points, that is, it is 48 percent.

Those who are in the habit of treating very carefully the figures which "leap out" when work of this type is done (which in this instance has an error of  $\pm 5$  percent) claim that the presidential image is still "strong and solid in the general consensus"; because, although the group of favorable opinions has declined, the "fair" means that the attrition is having an effect but not that confidence in the president has been lost.

Thus far, the poll experts and even the government strategists themselves have not gone so far as to predict what the political geography with which we shall arrive at the elections will be like; considering the fact that circumstances such as the wage deterioration, the trial of the former commanders, the payment of the foreign debt and the galloping inflation will be bones of contention that the opposition will use against the government. And, as everyone knows, that usually has a great emotional charge when there is an election campaign under way; an emotional factor which may have little or nothing to do with the need for finding efficient solutions that hovers over the men in the Casa Rosada.

How Men and Women Will Vote, According to Age

Option	Men			Women		
	Young	Mature	Adult	Young	Mature	Adult
Don't know	48%	35%	48%	61%	48%	43%
UCR	12	24	19	16	24	38
PJ	14	14	12	4	9	8
PI	18	12	12	16	10	7
UCD	5	5	2	-	-	-
PDC	-	5	-	-	4	-
MID	-	-	2	-	1	2
Other	3	5	5	3	4	2

The highest level of "undecided" is found among young men and women: 48 and 67 percent, respectively. Among men, there is a greater balance for determining positions toward the congressional elections. The minority groups do not show any major oscillations either.

For Whom They Will Vote, Based on Level of Schooling

Option	University	Secondary	Primary
Don't know	49%	42%	51%
UCR	17	24	20
PJ	3	9	13
PI	21	13	11
UCD	3	4	1
PCD	-	2	1
MID	-	1	1
Other	7	5	2

The level of "undecided" is overwhelming among those with primary schooling, a sector in which the Peronist vote has always been predominant.

What Is Your Opinion of Alfonsin?

Opinion	According to Schooling Level			According to Political Party			
	Univ.	Second.	Prim.	UCR	PJ	PI	Other
Good	38%	40%	35%	57%	15%	16%	31%
Fair	52	48	47	35	62	66	49
Poor	3	8	11	3	20	16	14
Other	7	4	6	5	3	2	6
Don't know	-	-	1	-	-	-	-

The largest number of "fair" is represented by PI and PJ combined. The Radicals have the largest number with a "good" impression (57 percent), and the Peronists are the ones who view Alfonsin "worst": 20 percent (above). The president has "greater consensus" among women than among men, and among adults than among youth.

What Opinion Men and Women Have of Alfonsín, According to Age

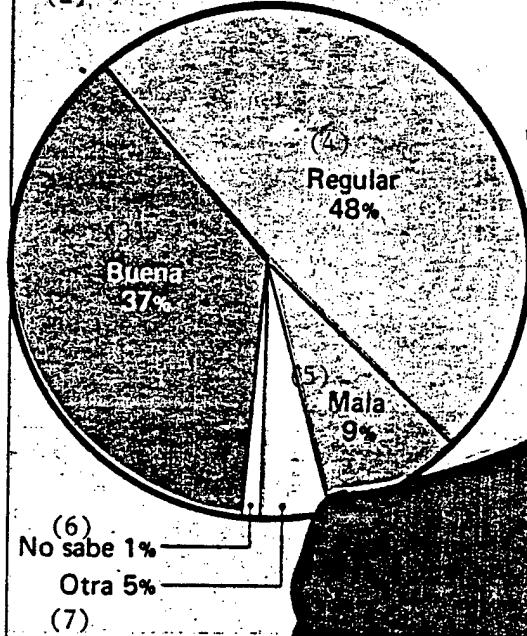
Opinion	Men			Women		
	Young	Mature	Adult	Young	Mature	Adult
Good	22%	38%	44%	33%	46%	43%
Fair	59	50	44	52	43	37
Poor	13	4	9	10	7	10
Other	5	8	3	3	3	10
Don't know	1	-	-	2	1	-

(1)

## El consenso de Alfonsín

¿Qué opinión le merece Alfonsín?

(2)

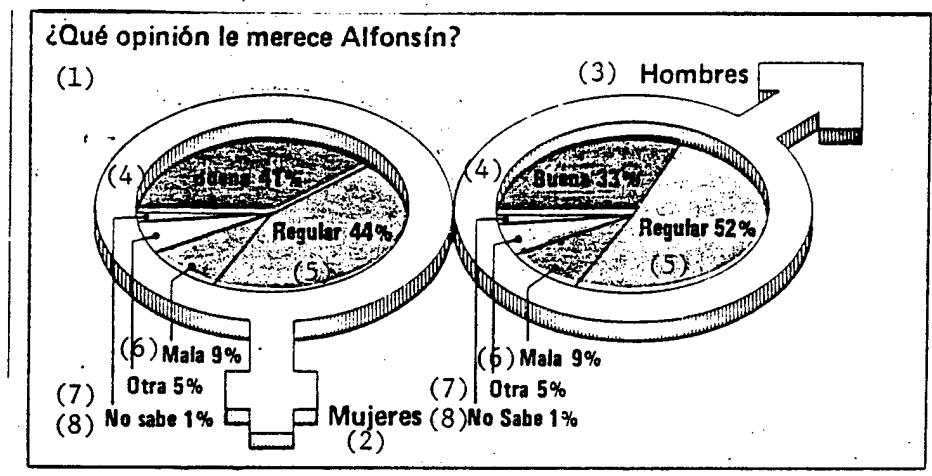


El desgaste producido por el ejercicio del poder hace mella en el consenso del Presidente, que ahora es del 37%. El mala es del 9%. Las mujeres tienen mejor impresión de Alfonsín que los hombres (abajo), aunque ambos coinciden sobre el mala. Igual que en el '83, la penetración de Alfonsín es más fuerte sobre el electorado femenino, clave para definir los comicios.

Key to Chart 1.

1. Alfonsin's consensus
2. What is your opinion of Alfonsin?
3. Good
4. Fair
5. Poor
6. Don't know
7. Other

The attrition caused by the exercise of power has caused a drop in the president's consensus, which is now 37 percent. The "poor" opinion is 9 percent. Women have a better impression of Alfonsin than men (below), although both agree on the "poor" opinion. Just as in 1983, Alfonsin's penetration is stronger among the female electorate, the key to determining the elections.

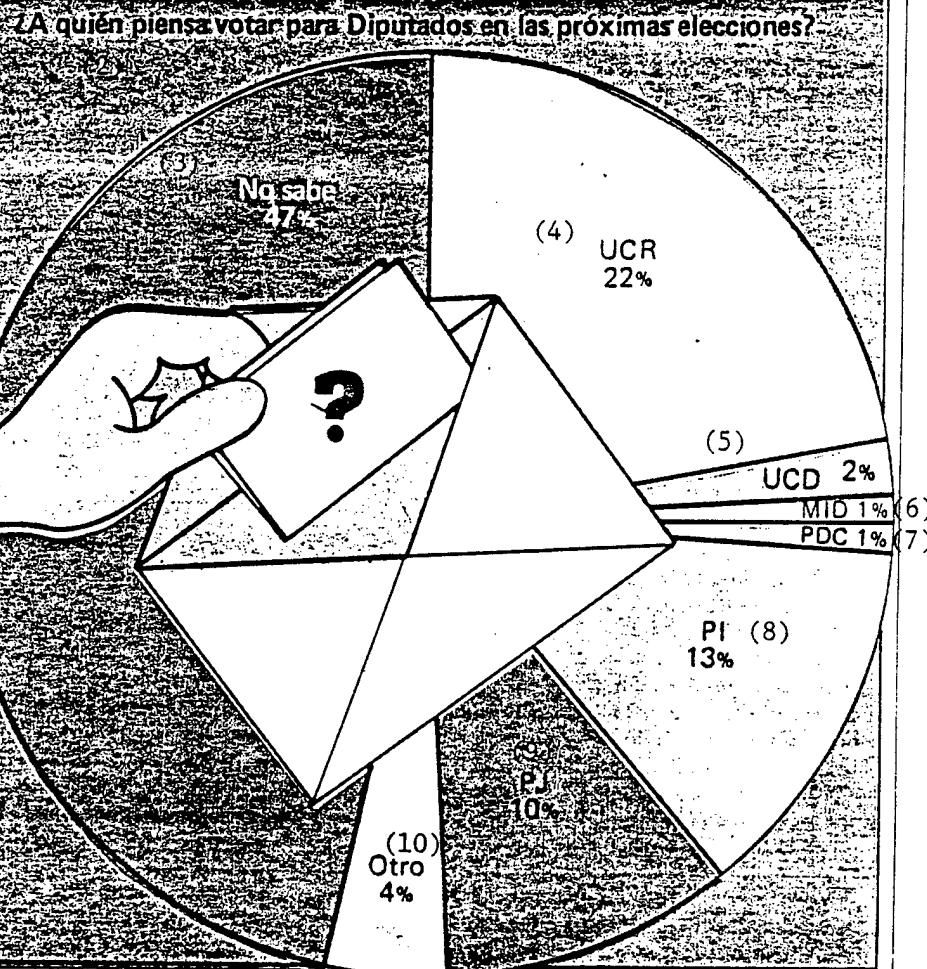


Key to Chart 2.

1. What is your opinion of Alfonsin?
2. Women
3. Men
4. Good
5. Fair
6. Poor
7. Other
8. Don't know

(1)

## Quién gana. Quién pierde

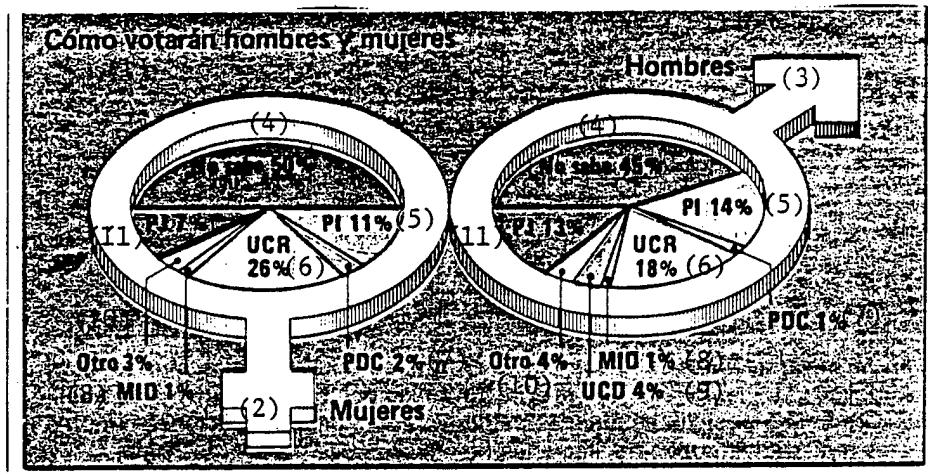


El número de indecisos (47%) es mayor ahora que hace 6 meses y está formado, principalmente, por aquellos que se sienten defraudados por el PJ y la UCR. Los intransigentes son los únicos que registran un aumento en su caudal electoral. El PJ podría descender al tercer lugar, al menos en Capital Federal. Hay más indecisos entre las mujeres que entre los hombres.

### Key to Chart 3:

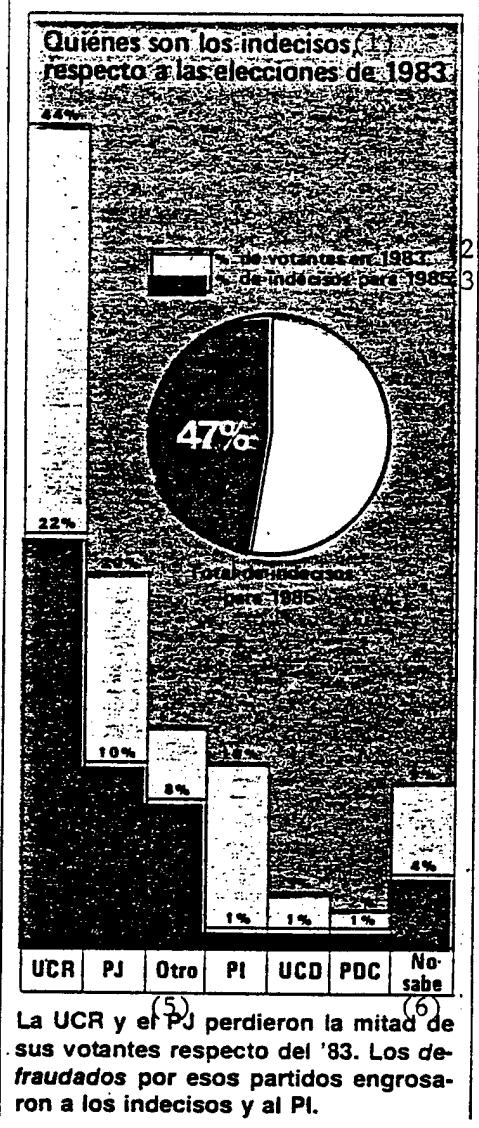
1. Who wins, who loses
2. For whom do you intend to vote for deputies in the next elections?
3. Don't know
4. UCR
5. UCD
6. MID
7. PDC
8. PI
9. PJ
10. Other

The number of "undecided" (47 percent) is greater now than 6 months ago, and is comprised primarily of those who feel "disappointed" by the PJ and UCR. The Intransigents are the only ones showing an increase in their electoral volume. The PJ could drop to third place, at least in the federal capital. There are more "undecided" among women than among men.



Key to Chart 4:

1. How men and women will vote
2. Women
3. Men
4. Don't know
5. PI
6. UCR
7. PDC
8. MID
9. UCD
10. Other
11. PJ



Key to Chart 5:

1. Who are those undecided in comparison with the 1983 elections
2. % of voters in 1983
3. % of undecided for 1985
4. Total undecided for 1985
5. Other
6. Don't know

UCR and PJ lost half of their voters in comparison with 1983. Those "disappointed" by these parties increased the undecided and PI.

2909

CSO: 3348/676

BRAZIL

SNI PLAN TO CONTROL RESISTANCE TO SARNEY; DENYS' DENIAL

Armed Forces Security Plans

Brasilia CORREIO BRASILIENSE in Portuguese 14 Apr 85 p 11

[Article by Joaquim Monteiro]

[Text] On the basis of National Service for Intelligence (SNI) reports already submitted to the Presidency of the Republic concerning plans by political groups with an interest in disrupting the political process in the country in connection with the death of President-Elect Tancredo Neves, the armed forces have already drafted security plans with a view to controlling the situation. Possibilities include the immediate mobilization of troops in centers such as Sao Paulo, Rio de Janeiro and Porto Alegre, regarded as sensitive.

At the present time, because of the strikes which have erupted in Sao Paulo, the main units of the army and military police remain on alert status on the orders of the commander of the Second Army, General Sebastio Ramos de Castro. He met last week with the minister and chief of the SNI, General Ivan de Souza Mendes, and he voiced a warning about the political situation in the Sao Paulo area. The SNI has identified centers of resistance there on the part of leftist groups which do not want Acting Vice President Jose Sarney to remain in the government if Tancredo Neves does not survive.

Minister Leonidas Pires Goncalves, in his address on the occasion of his installation and in statements made more recently to the press, has confirmed the determination of the army to defend the Constitution at all costs. He is supported in this position by his colleagues in the air force and the navy, Henrique Saboya and Moreira Lima, respectively.

In the view of Leonidas Pires, who has free access to all of the political and party sectors in the country, the men guiding the destiny of the New Republic today cannot fail to take "the special aspects of the historic situation" into account. He was clearly referring to the prospects for the future. On assuming command of the military force comprising 182,000 men, he noted his awareness of the domestic political problems, mainly in terms of the role which the land forces should play in accommodation in terms of the basis, as a

result of a difficult political transition, in which the armed forces will provide full support.

According to Minister Leonidas Pires, who stressed the role of the army in the new era, "within democratic context which is in its initial stage, the gap between expectations and demands of all kinds and the capacity to meet them may produce difficulties with effects on social tranquility. This is the reason for the need for security, seen as an inalienable right of individuals, groups of people and the nation. But it must be security adapted to the nature of democracy." He assured the citizens of Brazil that it is the task of the army to play a role in social balance and institutional stability through the maintenance of law and order, in strict obedience to the legal texts and the decisions of the civilian authorities, based on the requirements of a democratic state of law.

#### Denys Denies Formal Plan

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Apr 85 p 6

[Text] The chief of the Military Household, Brigadier General Rubens Bayma Denys, said yesterday in Brasilia that everything is calm and that if any emergency plan drafted to deal with presumed centers of subversion exists, it has nothing to do with his department. "I know nothing about this. I learned of it from the newspapers," the general asserted.

Another officer, the commander of the First Army, General Heraldo Tavares Alves, who came to the federal capital to serve as sponsor for a brigadier general in the sword presentation ceremony, went further. He even denied that his troops, based in Rio and in Minas Gerais, had been placed on alert. "We are waiting for a clarification of the picture. We are not expecting anything in terms of a disturbance. The Brazilian people are religious and orderly," he stressed. Further mentioning the confusion about what has been happening with regard to President-Elect Tancredo Neves in the past month, General Heraldo Tavares was planning to return to Rio promptly, in view of the possibility of a change. "If there is any ministerial instruction or change, I prefer to be there" (in Rio), he said.

This presumed SNI emergency plan which was reported in a local newspaper on Sunday is said to have been drafted when leftist subversive centers dissatisfied with the rise of Jose Sarney to the presidency of the republic were identified. This same newspaper reported yesterday that the minister and chief of the SNI, General Ivan de Souza Mendes, had confirmed that a plan to be used in the event of the death of the president-elect of the republic existed, but that it was unrelated "to the institutional life of the country."

General Bayma Denys as well, making a point of denying any suggestion of the possible existence of emergency plans or programs, said that everything is calm in the country, and he suggested that the matter might involve merely some plan agreement between the acting president and the SNI.

This speculation about what might happen with the people in the worst case regarding the health of President-Elect Tancredo Neves was described by a

military expert in the following terms: "We do not believe there will be political turbulence, but rather social upset. The members of the PT [Workers Party], the Brizola supporters, those who have already publicly stated their opposition to Sarney as president should desist, because they will be contained by the masses themselves, by public opinion." Simultaneous with these comments, a high-ranking military officer commented yesterday that there is no reason to doubt that the armed forces will see to adherence to the Constitution.

"The statement by Minister Leonidas Pires Goncalves represents the thinking of the entire Brazilian army, which is united and cohesive. What the minister said is exactly what all of us think," General Jose Eduardo Lopex Teixeira, commander of the Fourth Army Division, said yesterday. He gave assurance in Belo Horizonte that the deterioration of the health of President-Elect Tancredo Neves, or even his death, will not lead the military into any new involvement with politics.

The president of the ENGEZA [Specialized Engineers, Inc.] and the IMBEL [Ordnance Industry], businessman Jose Luiz Whitaker, expressed regret in Brasilia yesterday about the continuing lack of definition on the second and third governmental levels, noting that this has a negative effect on the Brazilian arms market. Whitaker indicated that even the supply of the Osorio armored vehicle, "the official vehicle of the Brazilian army," to the land forces has been put on hold, with orders suspended.

5157  
CSO: 3342/153

BRAZIL

SARNEY'S CONFIDENCE IN DORNELLES, OPPONENTS TO POLICY VIEWED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Apr 85 p 8

[Article by Carlos Chagas]

[Text] Minister of Finance Francisco Dornelles received the highest expression of confidence from the acting president, Jose Sarney, last Monday. This occurred at the Planalto Palace, when they talked about the current economic and financial policy and, in connection with the deterioration of the health of Tancredo Neves and the reports concerning a partial change in the cabinet, Dornelles made it clear to Sarney that if the worst should happen to the president-elect, he would not hesitate for a moment nor would he wait for any possible collective indication from his colleagues. He would immediately leave his post open.

Sarney interrupted him, speaking of the need to maintain the team chosen by Tancredo Neves. He commented on the importance of the priority for battling inflation, and concluded by saying: "If you are leaving, we will leave together."

An adjustment and partial alteration in the cabinet is obviously planned, and it will occur, even if it does not in the first weeks or even the first month in which the acting president replaces the presidential successor. Despite Sarney's caution in discussing the subject, with the denial of cabinet changes and the replacement of the team chosen by Tancredo Neves and that which resulted from the Democratic Alliance compromises, it is obvious that changes need to be made as a prerequisite for achieving his goals. This is in the nature of things. Sarney will have to impose his style of government. But this will all come about naturally, with time. It is difficult and uncomfortable for the former senator from Maranhao to deal with this matter now, and in his continuing talks with his aides and friends he has not gone beyond these comments.

Francisco Dornelles is not unaware of the development of a plan to oust him, and he even identifies it, although only confidentially. He is aware first of all of the action by the groups in the PMDB [Brazilian Democratic Movement Party] farthest to the left, headed in particular by the economists in the party. They are socialist-oriented and would like to profit from the trauma of Tancredo Neves' illness in order to achieve an advance in materializing

their ideological goals. They have acted very intelligently, even in the suggestion of the alternative of moving Olavo Setubal from the Ministry of Foreign Affairs to the economic post. Despite the known positions of the foreign minister, which do not differ very much from those espoused by Tancredo Neves and which are being implemented by the current minister of finance, these groups are thought to be seeking certain concessions and would furthermore immediately engage in veiled opposition to Olavo Setubal. The strategy would be to utilize June of next year to negotiate his replacement by someone affiliated with them. It is in that month that the period of ineligibility for the ministers running as candidates in the November elections ends, and it is their expectation that Setubal will run for government office in Sao Paulo.

It is true that the equation does not emerge in that clear a fashion. Ulysses Guimaraes, for example, heads the PMDB and still has reservations about the policy implemented by Dornelles. But it was he who prevented the nomination of Olavo Setubal for the Finance Ministry when Tancredo Neves was making up his team. The president-elect's idea was to make Dornelles chief of the Civilian Household and Jose Hugo Castelo Branco governor of Brasilia. Given the stubborn resistance of the current president of the Chamber, who would not agree to the management of the economy by a banker, Tancredo Neves changed his plan. Is Ulysses Guimaraes ready now for a reversal?

Dornelles also envisions other components in this miniconspiracy: the members of the oligopoly who rebelled at the measure he implemented a month ago when he froze prices on goods and products including those in the automotive, pharmaceutical and food industries.

Notable also in the price-freezing measure is something he notes with profound irony: the sectors farthest to the left in the PMDB and the ministry itself charge that he is pursuing a containment policy to mitigate the recession, when what the country needs is urgent measures in the social sector. But what social measure could be as important, given the current context, as preventing continuing increases in the prices of food and medicines?

Another contribution to the effort to dislocate him is said to come from certain members of the cabinet, identified by the aides of Dornelles as Jose Aparecido de Oliveira and Alisio Alves. In the case of the minister of culture, it is because he believes that the finance minister vigorously supports the position of Governor of Minas Gerais Helio Garcia, his adversary. This factor is believed to have even greater weight than the presumed desire of Aparecido de Oliveira to head the Civilian Household. In this connection, it is worth reiterating what the minister of culture said yesterday, denying any role in any maneuver. "I am not a magic potion to be used for every purpose." With this statement he wanted to make it clear that he is not seeking or plotting to head any other ministry, being satisfied with his own.

Despite everything, the blitz aimed at Francisco Dornelles leaps to the eye. As we have already reported, Ulysses Guimaraes sought out Jose Sarney last week to suggest to him that the finance minister should engage in a kind of round table discussion with the party, to explain what his economic policy was and to accept suggestions and advice. Other ministers, although they do not

want Dornelles out, maintain that he should rethink his actions, accepting the need for immediate implementation of emergency measures in the social sector. They would also like to see him change tactics, beginning to allocate cash assets, in part for social undertakings, instead of manipulating public debt and treasury bonds. This change would result in a decline in interest rates, in the view of the ministers who advocate it, including Minister of Transportation Afonso Camargo Netto.

The fact is that the position of Francisco Dornelles has not changed. He will do everything to avoid the issuance of new money, although he realizes that this will be necessary one day, in view of future necessities. But he warns that any currency issue is first and foremost inflationary, and the country could not tolerate an increase in the rate of inflation. If he agrees to emergency measures, it is as a function of resources which will have to be found in the budgets of the ministries themselves. Minister of Planning Joao Sayad is working in this direction, and Dornelles has, moreover, not been stinting in his praise of him.

Jose Sarney also seems to be convinced of the importance of these social achievements and he is likely to put forth certain definitions at the cabinet meeting in Brasilia tomorrow. But along with this, he reiterates that it is essential to maintain the policy of containment and austerity defined by Tancredo Neves, without which the country will be set adrift. His position is many times more difficult than what Tancredo Neves would face, in view of the importance of establishing credibility with the public and achieving his own political pact with the nation. Finally, the choice of carrying forward the plan of change for the New Republic was made not by him, but by Tancredo Neves. The president-elect had credibility with the nation as a premise for beginning his government. Sarney will have to win it, which dictates the need for immediate achievements.

In brief, and only a small portion of the problem is being raised here, there is a kind of bubbling going on in the cabinet, the government and the forces making up the Democratic Alliance in view of the unprecedented situation. Everything was prepared, even at high cost, so that the Tancredo Neves government could begin to function. With the president missing, a great deal is coming apart and will remain so until not the presidential succession, but the substitution, is resolved.

At the cabinet meeting tomorrow, which will be highly secret, with the press barred, Jose Sarney will take the opportunity to require that the internal clashes, brawls and skirmishes stop. As an excellent politician, he will find a way of saying that it is all due to the actions of the press, but the basic thing will be the order to minimize tension. He will reiterate that it is not in his plans to alter the team, and perhaps he will not even mention the exception to this rule, to the effect that the developing situation, more than any other fact, will dictate future changes.

5157  
CSO: 3342/153

7 June 1985

BRAZIL

## POLL SHOWS 79.1 PERCENT OF RIO RESIDENTS SUPPORT SARNEY

Rio de Janeiro O GLOBO in Portuguese 24 Apr 85 p 5

[Text] A survey made for O GLOBO by IBOPE [Brazilian Public Opinion and Statistics Institute] from Friday through Sunday shows that 79.1 percent of Rio de Janeiro voters have confidence in Jose Sarney. The rate of approval is even higher when the poll evaluates public acceptance of Sarney's behavior during the period when Tancredo Neves was hospitalized: 90.4 percent of those interviewed felt that Sarney had "acted properly" during the first month of this administration. More than half of those interviewed--50.5 percent--said they believed Jose Sarney will make a good president, while 14.1 percent felt he would make an excellent president.

IBOPE conducted 500 interviews in Rio de Janeiro, with persons of all age groups (over 18), social classes and occupations. This is the result of the poll:

Do you or do you not have confidence in Acting President Jose Sarney?

--Have confidence:	79.1 percent
--Do not have confidence:	13.2 percent
--Don't know/no opinion:	7.7 percent

If President Tancredo Neves is unable to assume office, what kind of government do you think Acting President Jose Sarney will conduct?

--Very good:	14.1 percent
--Good:	50.4 percent
--Fair:	25.2 percent
--Poor:	1.2 percent
--Very Poor:	1.7 percent
--Don't know/no opinion:	7.4 percent

How do you feel Acting President Jose Sarney has conducted himself during this first month of this administration?

--Has acted properly:	90.4 percent
--Has not acted properly:	3.6 percent
--Don't know/no opinion:	6.0 percent

At any time during President Tancredo Neves' illness, did you pray for his recovery?

--Yes:	79.4 percent
--No:	20.4 percent
--Don't know/no opinion:	0.2 percent

Do you or do you not have confidence in the medical team that is currently caring for the president?

--Have confidence: 80.3 percent  
--Do not have confidence: 13.9 percent  
--Don't know/no opinion: 5.8 percent

To what extent do you believe the medical bulletins that are being issued regarding the state of President Tancredo Neves' health?

--Believe them completely: 27.1 percent  
--Believe them partially: 49.2 percent  
--Do not believe them: 22.1 percent  
--Don't know/no opinion: 1.7 percent

To what do you believe the gravity of President Tancredo Neves' state of health is mainly due?

--The seriousness of his illness at the time of the first operation: 35.0 percent  
--An infection contracted after the first operation: 14.4 percent  
--Flaws in medical treatment: 7.0 percent  
--His advanced age: 16.3 percent  
--His not having been taken abroad for treatment: 10.6 percent  
--Other reason: 9.4 percent  
--Don't know/no opinion: 7.4 percent

In your opinion, has any cabinet minister managed to stand out during this first month of administration, through some accomplishment, decision or government plan?

--Yes: 25.4 percent  
--No: 58.0 percent  
--Don't know/no opinion: 16.5 percent

If your answer to the previous question was "yes," who was it (or were they)?

--Francisco Dornelles: 17.9 percent  
--Marco Maciel: 14.2 percent  
--Fernando Lyra: 10.4 percent  
--Almir Pazzianoto: 8.5 percent  
--Joao Sayad: 8.5 percent  
--Aureliano [Chaves]: 5.7 percent  
--Minister of economics: 5.7 percent  
--Aloisio Alves: 3.8 percent  
--Ronaldo C. Couto: 1.9 percent  
--Others: 6.6 percent  
--Don't know/no opinion: 17.0 percent

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BRAZIL

SAYAD PROJECTS 1985 PUBLIC SECTOR DEFICIT AT CR 53 TRILLION

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 Apr 85 p 30

[Text] Minister of Planning Joao Sayad confirmed yesterday that the public deficit may reach 53 trillion cruzeiros this year, and that cuts in government expenditures alone will not suffice to cover it.

Sayad also announced that an increase in the tax burden, one of the ways in which the government could cover this deficit, apart from cuts in expenditures, is being carefully studied. However, he stressed that the implementation of such a measure is extremely difficult, at least in the short run. The minister provided this information following a luncheon he had with Ministry of Finance Francisco Dornelles.

The other methods Sayad and Dornelles are studying for covering the 53 trillion cruzeiro sum include an increase in the monetary base, with a primary currency issue, obtaining new foreign resources through loans, and the sale of public bonds by the government. SEPLAN [Secretariat of Planning] technicians said yesterday that all of these possibilities need to be fully analyzed before being adopted, because they could affect the primary goals of the government in the economic sector--containment of inflation and control of the foreign debt.

But in any case, these technicians stated that already the completion of the survey which led to an understanding of the amount of the public debt, a task in which Sayad has been involved since the beginning of the new government, represents great progress. The minister also announced yesterday that a very simple criterion was used for reaching the 53 trillion figure. "We used the fund concept, comparing the expected collections and government expenditures for 1985."

During the luncheon, Sayad and Dornelles also talked about the government emergency plan, which has come to be called the "1985 priority" by SEPLAN technicians. Sayad announced that the first outline of the plan should be ready today or tomorrow to be submitted to the acting president, Jose Sarney.

This outline, Sayad said, will make it explicit that the allocation of about 7 or 8 trillion cruzeiros to projects in the social sector will be necessary.

"We discussed the results in recent months and we are most concerned," Sayad admitted yesterday in connection with the rate of inflation, following his luncheon with Dornelles. But he emphasized that the inflation figure for this month, which some technicians insist on estimating at between 8 and 9 percent, had not been studied.

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BRAZIL

DORNELLES CITES APRIL INFLATION DROP, TRADE SURPLUS RISE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 April 85 p 30

[Text] The main impact of the economic policy of the New Republic, according to estimates by the government's own technicians, will be reflected in an immediate increase in the public deficit of more than 15 trillion cruzeiros. Despite this, Minister of Finance Francisco Dornelles announced the first major economic victory of the new government on Thursday: a drop in inflation from 12.6 percent in March to 8 percent in April. The minister further announced two other achievements: a surplus in the trade balance of more than \$1 billion and an increase in international reserves to \$8.2 billion.

However, the war is far from being won, as many businessmen and sources in the government itself stress. In fact, the battle against inflation, which is the number one priority of the government, is, they say, being waged with inadequate weapons, including the freeze on prices implemented in March by the Interministerial Price Council. This return to punitive measures, which have already proved ineffective in the past, has led not only to criticisms of the economic policy from business circles, but also polemics within the cabinet sector. These are not just theoretical discussions, but represent a real conviction that price control as it is being pursued is clearly a form of repression which will explode in inflation in the near future.

Some cabinet members even defend price freezing, but say that it should be adopted jointly with another form of monetary correction representing the present rather than the past.

Since monetary correction today is based on the average for the past 3 months, and thus a figure much higher than the price increases, and since public enterprises have their prices frozen for at least 30 days, the result will be an increase in the public deficit, already estimated by Minister Francisco Dornelles at 50 trillion cruzeiros for this year, of 15 trillion more.

This strategy, therefore, will lead to more inflation in the future, our sources say, and thus a greater need to place treasury bonds in order to cover the deficit. Thus the argument put forth by Minister Dornelles to the effect that the public deficit must be eliminated in order to support the growth of the economy collapses entirely, in the view of other cabinet members. And so both businessmen and sources in the economic sector are now beginning to be

concerned about the first signs of economic slowdown, and they fear a new recession.

According to the estimates of government technicians, the monetary adjustment, based on the last 3 months, will be 11.8 percent in April. The planned increases in industrial prices should not exceed 6 to 7 percent, which represents a difference of about 5 percentage points. This poses a threat in two ways: for the government, with an increase in its deficit as a function of the gap between real cost and the frozen prices of products and services it manages, and for the private sector, fearful of the threat of an increase in the tax burden, as was made implicit in the interview with the finance minister, with the emphasis placed on the need to pursue a rigid fiscal policy in order to reduce or finance the public debt.

The most serious thing, in the view of our sources, is that this entire sequence will lead to more limited federal resources, even for putting into effect the much discussed emergency or social program.

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BRAZIL

CFP PROJECTS 1984-85 GRAIN OUTPUT AT 53.9 MILLION TONS

Nationwide Increase 3 Percent

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Apr 85 p 30

[Text] Brasilia--Grain output for the 1984-85 crop year may reach 53,917,400 tons. The Production Financing Company (CFP) yesterday released the latest crop forecast, predicting a 3 percent increase over last year's output, which was 52,309,100 tons. This is the first forecast that includes the Northeast, with an estimate of 5,760,000 tons, compared with 5,243,000 tons last year, despite the heavy rains.

Of the basic products, the greatest increase was in first-harvest black beans, with an estimated output of 1,252,300 tons. So-called "safrinha" [literally, small harvest] beans will have a harvest, not including Parana output, of 1,540,000 tons, compared with 1,557,400 tons last year. Total production will thus reach 2,792,300 tons.

Rice output will diminish 1 percent, due mainly to losses in Maranhao. Last year 8,981,000 tons were harvested and the prediction for this year is for 8,859,300 tons of rice. Corn output will also be reduced; it was 21,177,500 tons last year and this year is likely to be 20,681,400 tons. Sorghum will increase 6 percent, with an output of 349,800 tons this year, compared with 326,700 tons last year. Cottonseed will increase by 34 percent (from 1,301,400 tons to 1,747,000 tons).

Soybean output should also increase, from 15,347,000 tons to 16,700,000 tons. It happens that this figure was the cause for differences between the CFP and the IBGE [Brazilian Institute of Geography and Statistics], as the IBGE sample survey indicated an increase in area planted, in Mato Grosso do Sul alone, of 187,000 hectares, which would increase output in that state by 320,000 tons.

According to Ruben Ilgenfritz da Silva, secretary general of the Agriculture Ministry, this increase reported by IBGE caused international prices for the product to fall sharply, "and they are not realistic." He would like the federal government to adopt uniform procedures in reporting data.

### Parana Increase 6 Percent

Rio de Janeiro O GLOBO in Portuguese 21 Apr 85 p 31

[Text] Londrina--Despite January's dry spell having reduced Parana's grain output by 490,000 tons in this year's summer harvest, causing 400 billion cruzeiros of losses to the state's economy, Parana is likely to harvest 11,700,000 tons of grain in this year's crop, representing an increase of 6 percent over last year's output.

However, according to the Department of Rural Economics (DERAL) of the Parana Agriculture Secretariat, because of the low prices for major agricultural products prevailing in the market, the Gross Value of Agricultural Product (VBP) for this year's summer crop will be less than the rate of inflation for the same period. In other words, "The slow and worsening process of depletion of the sector's capital continues."

As a matter of fact, DERAL estimates an increase of 200 percent in the VBP of this year's summer crop as compared with last year's, which was 3.7 trillion cruzeiros. As a result, "at best the farmers will manage to obtain revenue equal to their expenditures on the crop," predicts Wilson Baggio, president of the Cornelio Procopio Rural Syndicate and one of the state's largest producers.

Baggio cites as an example the case of soybeans, which, due to lower consumption by European countries--Brazil's major customers--are being sold domestically at prices equal to or even less than the minimum price established by the government (46,740 cruzeiros).

### Bahia Agriculture Recovering

Rio de Janeiro O GLOBO in Portuguese 21 Apr 85 p 36

[Text] Salvador--After 5 years of crisis in agricultural production, due to the drought that affected a large part of the state, Bahia this year is expecting its best crop of this decade with a predicted grain harvest of 547,000 tons, thus beginning the period of recovery in agriculture. The rains that fell steadily during recent months in the planted areas were responsible for this recovery, according to the State Commission for Agricultural Planning (CEPA), of the State Agriculture Secretariat.

Soybeans have been creating the greatest optimism among farmers and technicians, having increased from an output of 1,019 tons in 1981 to almost 100,000 tons forecast for this year's harvest. Production is essentially in the Alem Sao Francisco region, which will place Bahia among the 10 largest soybean-producing states.

Another product that has brought euphoria among farmers is black beans, planted by 40,000 producers in the Irecce microregion, who during the last 2 years have been virtually driven into bankruptcy by crop failures resulting from the drought. The microregion is the largest producer in the Northeast and is likely to harvest over 1 million sacks of beans this year, which should render 83 billion cruzeiros. Only 300,000 sacks were harvested last year, and only 60,000 in 1983.

Castorbeans, a product that was of economic importance in the Irecce microregion, in view of the failures of the black-bean crops, also has very good prospects, and should yield 4 million sacks, which have begun to be harvested.

BRAZIL

#### BISHOPS CONCERNED OVER PROLIFERATION OF RELIGIOUS SECTS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Apr 85 p 10

[Text] Campinas--As expected, the letter approved by the plenary session of the 23d General Assembly of the CNBB [National Conference of Brazilian Bishops], on the subject of "Christian Freedom and Liberation," is quite moderate, in both its social focus and its catechism. The document will now be distributed by the bishops to the pastoral agents of their dioceses, who are to read it carefully, followed by meditation and application of the recommendations. In closing the annual CNBB meeting yesterday in Itaici, its president, D. Ivo Lorscheiter, said the pastoral agents are also to conduct catechism in keeping with "Liberation Theology" and are to study the documents that will be distributed on the subject, especially the new Vatican instruction, to be published shortly.

The CNBB presidency did not reveal the recommendations it has sent to the Sacred Congregation for the Doctrine of the Faith, Vatican agency that is collecting contributions for the new instruction about liberation theology. D. Ivo alleged that the secrecy is in response to Cardinal Ratzinger's request, as head of the Congregation, who wishes to avoid "false expectations in case the suggestions are not included in the new official document."

According to the CNBB president, the proposal of the assembly that was concluded yesterday intends that the pastoral agents not only pay attention to theory but that they dedicate themselves mainly to practice, "in a theology that favors evangelization." The letter approved by the bishops ends with five recommendations, entitled as follows: awareness of the social and political dimension of the faith and its requirements; liberating education; greater pastoral freedom in the face of economic and political power; defense and promotion of fundamental human rights; and pastoral activity in facing difficult challenges of the actual lives of the Brazilian people, especially in relation to Indians, workers, the landless and squatters, slum dwellers and minors.

"In the midst of so many signs of the church's vitality," the letter of the CNBB assembly acknowledges the existence of tensions within the Brazilian clergy, arising from differences in the interpretation of the "socio-económico-politico-cultural-ecclesiastical situation, seen and analyzed from different angles and on the basis of diverse situations, places and social stances." These differences lead to emergence of extremist groups of opposite leanings, the document says, without identifying them.

Apparently to avoid definitive judgments about discussions aroused by brothers Leonardo and Clodovis Boff, liberation theologians, the letter merely says that "there are still differences arising from different theological interpretations: some valid, others that arouse doubts, or even seem to be devoid of essential aspects of faith." To correct the tensions and flaws, the CNBB assembly suggests the light of the Gospel and of the teachers, and the pursuit of dialogue and fraternal correction at all levels. The letter "asks" for avoidance of imprudent interference, personal attacks and public condemnation of pastoral orientation and practice.

The document also refers to the deviations and dangers related to the "analysis of reality," contending that "in this complex operation, even the social sciences cannot escape ideological influences." This demonstrates concern about use of Marxist analysis in interpretation of reality.

The letter advocates searching for a synthesis of the various aspects needed for complete liberation, indicating points of equilibrium for overcoming tensions and conflicts: "Not individual sin alone nor social sin alone; not just the vertical dimension and not just the horizontal dimension; not simply orthodoxy and not simply orthopraxis; neither the spiritual dimension alone nor the socio-political dimension alone; neither solely conversion of the heart nor solely transformation of structures."

Other topics are discussed by the document, such as "the preferential prophetic option and solidarity with the poor" and "the growing ecclesial awareness of laypersons and the rising status of women."

#### TFP Rejected; Sect Worrisome

The proliferation of the Moon sect throughout the country and the activities of the TFP (Brazilian Society for Protection of Tradition, Family and Property) are causing concern for the bishops. Two committees analyzed the two sects during the 23d CNBB General Assembly. In regard to the TFP, the bishops approved a note asking Catholics not to join it or collaborate with it. The case of the Moon sect has been turned over to the permanent council of the CNBB for more thorough study and gathering of more information. These studies may result in another warning note to the Christian community, especially because this sect defines itself as Christian, at the same time it is denying the mission of Jesus Christ. If the permanent council decides to issue such a document, the regional CNBB organizations will be responsible for its publication and distribution.

Warning the Catholics against the TFP was approved by the plenary session as an official document of the 23d Assembly of the CNBB, divided into four paragraphs. The text begins by calling attention to the "well-known lack of affinity between the TFP and the Church in Brazil, its hierarchy and the Holy Father."

The document then recalls that "the esoteric character, the religious fanaticism and the personality cult built around its chief and its founder, the abusive use of the name of the Most Holy Mary, according to reports received, cannot in any manner deserve the church's approval." This is a reference to the president of the TFP, Plinio Correia de Oliveira, who, according to reports, has been claiming his mother to be the reincarnation of the Virgin Mary.

Lastly, the document regrets the improprieties resulting from a civil society which represents itself as a religious Catholic entity, without any connection with legitimate pastors, and for this very reason "the bishops of Brazil urge Catholics not to join the TFP and not to collaborate with it."

#### Dioceses Reply to Vatican

With the closing of another annual assembly of the National Conference of Brazilian Bishops, its participants not only presented their dioceses with the conclusions of 10 days of study about varied topics such as liberation theology, the Moon sect, the code of canon law and the pastorate of youth. One of the main elements of study is to arrive at a definition, to be sent by the end of June, in response to the questionnaire from the Vatican asking the opinion of all bishops about Vatican Council II, topic of the special synod called by Pope John Paul II for the end of November.

During the assembly held in the Vila Kostka Jesuit monastery, in Itaici, some bishops proposed a more extensive discussion about the questionnaire. D. Paulo Evaristo Arns, archbishop of Sao Paulo, regretted that there wasn't more time for so important a topic, all the more so because the special synod wishes to revive the atmosphere of the Vatican II and study the council's content, taking into account the requirements of our times. According to D. Paulo Evaristo Arns, "a mere formal observance of the 20th anniversary of the greatest religious event of this century is not enough, but there is a need for an accounting of the steps taken, the steps omitted and, perhaps, of the steps that were misdirected."

As a member of the synod's permanent secretariat, D. Paulo presented two suggestions for discussion. The suggestion that prevailed was to take the questionnaire to the dioceses, where it could be discussed at the level of the regional meetings, with the effective participation of the faithful in the replies to the questionnaire and in preparation of the suggestions. The questionnaire has nine questions, including the following: "What was done in Brazil for the council to be known, accepted and applied? What good fruit resulted in our situation since Vatican Council II? Was there error or abuse in the interpretation and application? What difficulties arose in applying Vatican Council II? What could be proposed to better apply the spirit of Vatican II?"

Other questions request answers regarding biblical and liturgical aspects, church organization, education about the council, moral training, missionary activity and ecumenism since the council, as well as the church's relationship to temporal and political realities since Vatican II.

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CHILE

#### ECLA ENDS SESSIONS ON LATIN AMERICAN DEBT, DEVELOPMENT

Santiago EL MERCURIO in Spanish 4 May 85 pp C-1, C-7

[Text] Uruguayan Foreign Minister Enrique Iglesias stated yesterday that "high-level political solutions that will have a bearing on the forums of negotiation and decision-making are needed" to overcome the recession in Latin American nations and move on to "a period of growth that will improve their payments capacity and enable them to meet their obligations."

Iglesias spoke at the end of the meeting of experts on the region's foreign debt. The meeting was held this week at the headquarters of the Economic Commission for Latin America (ECLA).

He also asserted that "the economic crisis caused modern governments to lose legitimacy because of their inability to solve social and economic problems."

The foreign secretary reiterated that there had been a consensus at the meeting that "high-level political solutions that will have a bearing on the forums of negotiation and decision-making are needed so that this recession, which the majority of countries—not all—are suffering, will give way to a period of growth during which their payments capacity will improve and they will be able, somehow, to meet their obligations."

He contended, however, that joint political negotiations to find specific solutions should take into consideration the plurality of positions, the difficulty of harmonizing those positions, and the problems of foreign dependency that these countries have.

Iglesias also stressed that to solve this problem, the nations of the region must undergo an active integration process, and must make their economies more flexible.

"State activism has its limits, and if they are exceeded, not only is the efficiency of the economic system affected, but so is the stability of the political system," he asserted.

He also noted that Latin America is currently undergoing a dual process: On the one hand, it is returning to democracy, but on the other hand, there is the bitter fact that these democratic systems must develop in a climate of constant economic and social turmoil.

"When we can make the dramatic claim that we have conquered democracy, yet we now have to defend it in a climate of constant instability, we face the great question of what to do; here the only valid response is that of maturity and modernization of political approaches," he stated.

He went on to say that "this is why it is important for political action to be based primarily on the search for certain areas of common agreement to ensure growth with equity, to ensure social efficiency with economic efficiency, and to make society realize, somehow, that in this exercise not only is the satisfaction of basic needs important, but so is the preservation of something more valuable than any other commodity: freedom and democracy."

He asserted that as a result of the ECLA meeting, a warning had been sounded about all-encompassing systems, posing a great challenge to political thought and attitudes.

Iglesias contended that the meeting had shown that there are still holes, delays, and false dilemmas.

"Unless these false dilemmas are cleared up, they will become real dilemmas," he stated.

He indicated that for many years there have been conflicts between opening up to foreign elements and suppressing imports; between industry and agriculture; between statism and privatism; between growth and equity; between the free market and state regulation.

"I think the time has come to keep these false dilemmas on that level, and to free the Latin American mind so that it can think for itself. We are sufficiently mature. At the same time, we must shun all-encompassing systems and emerge from the trap of those debates that have exhausted our imaginative capacity in many cases, and have blocked our creative capacity," he emphasized.

Similarly, he stated that "we should continue to be in a permanent state of anxiety, of doubt about our problems. We should be realistic about the facts and respect reality. We should have a modest outlook so that in all cases we will be aware of what is really possible, and we must move on from a utopian view to a realistic assessment of the situation."

Foreign Minister Iglesias stated that "although we can all accept for certain that the market cannot solve fundamental problems by itself, we should not ignore the power of the market and its influence on contemporary society."

He stressed that the region needs more planning and more emphasis on the market, in contrast to recent years when there has been less planning and less emphasis on the market. "This notion is of special importance in that it implies a fundamental conciliation in the debate that we have been carrying on for decades in Latin America, concealing the true nature of our problems and ignoring the emerging realities of the world we live in. Latin America needs more planning and more emphasis on the market, and we must eliminate this lack

of dichotomy on the basis of modern and serious proposals in which national considerations will play a role," he stated.

### Conclusions

The conclusions of the meeting were also presented on that occasion. The participants emphasized the need to strengthen the process of regional cooperation and integration in view of the limitations the region's exports face in gaining access to the central markets, and the problems involved in relying primarily on those markets to promote regional development.

They stated that the existing Latin American market should be utilized as a major indigenous resource by resorting to renewed formulas and methods adapted to the region's new circumstances, in a world of constant change.

Given that the system of international economic relations is based on power, it was noted that the region should take the necessary steps to organize and exercise a joint bargaining power on the external front to enable it to defend its sovereignty and its interests more effectively.

It was also noted that international negotiations on crucial issues that will affect the region's future development will be held soon, on matters such as trade, services, high technology goods, investment, and financial and monetary matters. It is imperative that the region take a common, coordinated and unified stand on these issues, using bargaining chips such as its own market, which would give it more weight.

The meeting was also attended by the permanent secretary of the Latin American Economic System (SELA), Sebastian Alegrett; the vice-president of the International Financial Corporation, Francisco Javier Alejo; the assistant director of the International Monetary Fund, Christian Brachet; the executive secretary for economic and social affairs of the Organization of American States, Julio Cesar Gil-Garcia; and economists and diplomats from Colombia, Venezuela, the United States, Peru, France, Chile, Mexico, Honduras, Uruguay, Nicaragua, Spain, Argentina, the Federal Republic of Germany, Brazil, Great Britain, Israel, Japan, Bolivia, Cuba, Jamaica, and Canada, who attended in their individual capacities.

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CHILE

#### UNIONS SEEN AS MAIN UNIFYING FACTOR IN SOCIAL MOBILIZATION

Santiago MENSAJE in Spanish May 85 pp 124-126

[Article by Jaime Ruiz-Tagle P.]

[Text] As May Day 1985 approaches, the Chilean labor movement is unable to hold public demonstrations the way it did in 1984. On the contrary, it has been shaken by the impact of the search and seizures and the kidnappings and murders of union leaders. Much has changed this past year in Chile.

Many analysts agree that the declaration of a new state of siege in November 1984 marked the end of a political period that had begun in 1978.

From the standpoint of internal government, a slow and limited liberalization had taken place, accelerating with the social mobilization of 1983 and the arrival of Minister Jarpa in the cabinet. This period was characterized by a certain recognition of the presence and force of the opposition, and by a moderate tolerance for negotiation. From the economic point of view, the period was characterized in the initial years by a "gushing" growth, and more recently by a policy of partial concessions, represented especially by Minister Escobar. The departure of Ministers Jarpa and Escobar purportedly proved the failure (in the regime's view) of negotiations in the political sphere and partial concessions in the economic sphere.

The new stage is characterized by the government's "entrenchment"; the regime feels that the only political activity should be discussions among its friends, in particular, within the Junta. International pressures, particularly by the United States, could lead to more flexibility in some measures of the state of siege--especially with regard to the mass media--but not much more. In the economic sphere, a 3-year agreement (1985-1987) has been reached which will involve another drop in consumption by the public in what the experts call an "adjustment."\* The strategy would be to accept this belt-tightening for another 3 years (to enable it to service the foreign debt) and then to "loosen up" the economy a bit in 1988. Thus, the regime could face the presidential plebiscite in 1989 in a better position. The official

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\*If imports drop by 13.2 percent in 1985, as the government has announced, the GDP should decline by 4 percent and national income per capita should fall by about 6 percent.

candidate would very probably be Gen Pinochet, who could extend his government until 1997.

#### Action of Labor Movement

The state of siege has hindered the actions of the labor organizations, as it has done to other social organizations. In short, the return to the political suspension has meant that the union movement has emerged as the main element capable of promoting social mobilization in the nation. In fact, the Chilean labor union movement's social power far outweighs its structural and organizational weakness. According to figures compiled by the Office of Labor, at the end of 1983 there were 4,401 unions in Chile, with 320,903 members and an average of 73 members per union. The number of union members amounted to only 8.7 percent of the labor force and 10.2 percent of employed workers. The labor movement's ability to get people to participate, its ability to unify social forces, goes far beyond those who are actually union members. Practically all those who earn their living by working, or who expect to do so, feel that they are somehow represented by the labor movement, and in particular, by the Command.

Despite the limitations imposed by the state of siege, union action has continued to develop in various ways. First of all we should mention collective bargaining, which was non-existent between 1973 and 1978. It took place under particularly difficult circumstances, due not only to the legal setting but also to the restrictive economic policy. Many companies are heavily in debt and are hurt by the lack of demand; they therefore tend to assume rigid positions. This makes it very difficult for the workers to recover their buying power. There are companies, however--particularly export firms--that have made huge profits, and the potential for making successful demands there is greater.

Moreover, training and education activities have continued to develop; at the organization level as well as in support institutes, many courses, seminars and conferences have been held. In this regard, the resumption of the state of siege has not meant a return to 1978, when activities of this kind were much less common. The growth in alternative means of communication (magazines, bulletins, videos, etc.) that has taken place during these years lends more vitality to the labor union movement.

At the same time, various types of consultation have been provided (legal, economic, organizational) to strengthen the rank and file and to legitimize the leadership. To the extent that these activities, such as education, have not had any political or partisan implications, they have been able to develop without interference from security agencies.

On the other hand, the Command sent public letters in March 1985 to the ministers of the interior and the economy. This kind of action is part of the traditional tendency of Chilean unions to intervene in government affairs, since it is in this sphere where solutions can be found to their primary problems. Another purpose of such actions is to alert public opinion to the unions' presence and to achieve a certain recognition as a key player on the national social scene. Sending public letters tends to cause tension among

the leaders, because some feel that, given the fact that they generate little if any response, these letters are merely a distraction from more urgent tasks. The majority, however, feel that these are positive actions. Actually, in addition to the functions noted, these letters serve to facilitate the consolidation of the leaders' positions on national events.

The letter to the interior minister called for the following basic measures: an end to the state of siege, an end to banishments, authorization for the return (at least temporarily) of the exiles, an end to the restrictive measures imposed on the mass media, and facilities to enable social and community organizations to carry out campaigns to express solidarity with the victims. The letter to the economy minister proposed that "a path of solidarity and participation" be opened "for the reconstruction of the country." More specifically, it demanded that the government play a key role in implementing a reconstruction plan. It called not only for the reallocation of resources, but for the acquisition of new resources, both internal and external. The internal resources could be obtained from the reduction of military spending, stricter enforcement of the value added tax, and new taxes on the most affluent. In addition, the letter expressed the need for a wage adjustment policy that would include a raise in the minimum wage and the inclusion of those registered in the Minimum Employment Program (PEM) and the Employment Program for Heads of Household (POJH) among salaried workers.

It is unlikely that these demands will be acceded to in the short term, but they reflect the basic aspirations of the working class. In representing that class, the National Command is moving beyond the interests of its own members and is becoming a national protagonist.

Efforts to coordinate actions with various social sectors (businessmen, professionals, students) have also continued, for the purpose of launching a nationwide mobilization. If an intensive social mobilization can be carried out, the regime will be forced to make concessions.

The mobilization for life called by the Command for 11 April was echoed in various sectors, both in the capital and in the provinces. The censorship and control of the mass media prevented these actions from being publicized further and having a greater impact. If such actions are assessed in the context of the state of siege, it is clear that the social mobilization had a considerable impact, at any rate greater than the one that took place before 1983.

#### Challenges

The socio-political activities of the labor movement are significant, but they could be used to distract attention from the specific problems of the rank and file. If these problems are not solved, the rank and file could lean toward trade unionist positions, no matter how favorable they are politically to the quick return to democracy. In fact, in some union elections in the state enterprises, trade unionism seems to have gained ground. The official unions are taking advantage of their contacts with the regime to solve specific problems and thus gain a certain amount of support. But this trend toward

serving interest groups is limited by the economic policy and the scarcity of funds.

The unions have won the support of the Catholic Church in defending their members' interests, especially since the state of siege was declared. Now, the union leaders are faced with the challenge of benefiting from this support without creating the bonds of a new dependency. Neither the top echelons nor the support institutions can take over the leadership of the movement; they can simply provide a democratic forum for information, education and debate, a meeting place to facilitate unified action.

International labor organizations have shown a special solidarity with the labor movement and the Chilean people as a result of the earthquake. This support can strengthen the organizations, but it also poses a challenge, because if it is not utilized efficiently or if it generates new forms of dependency, it could be counter-productive.

The principal opponent of the Chilean labor movement is the authoritarian regime and its economic policy. To confront authoritarianism, the union leaders have tried to devise and implement various forms of peaceful resistance, persisting in the social mobilization. All signs indicate that any support, no matter how tacit, for forms of violent struggle will only contribute to new massacres and to the consolidation of the military regime.

In its struggle against the neoliberal economic model, the labor movement can find points of agreement with some management organizations. In fact, a magazine that represents businessmen recently criticized the economic team for its position on reconstruction: "It is the state that has the unavoidable obligation to lead this process, and it has the responsibility of taking measures and allocating resources to help rebuild the damaged foundations of the economy" (ESTRATEGIA No. 323, 1-7 April 1985). This is the same thing the union organizations are saying, so in this area social harmonization is possible.

To be a national protagonist, the union movement needs to establish sufficient ties with the political parties. The latter, subject to suspension, have a tendency to accentuate their differences. The labor movement faces the challenge of preventing the invasion of political schisms and of inspiring the parties to seek the means to unify for the return to democracy.

There is no doubt, however, that the principal challenge to the labor movement is its own unity. Such unity entails an internal democratization, but that is made more difficult by the prohibition of ideologies and political parties. Unity is indispensable for the union movement to remain a key player on the national scene, to resist being manipulated by the government or by the parties. The structural and organic weakness of the Chilean labor movement makes this unity even more necessary here than in other countries. It is clear that the distancing of the Democratic Central Organization of Workers from the Command is a stumbling block to unity. The important thing, however, is that there be unity of action; that the leaders not split up or oppose each other. The leaders of all ideological factions can rally around the figure of Tucapel

Jimenez, who was murdered for defending the unity of the Chilean labor movement. On the commemoration of the third anniversary of his death (his murderers have still not been brought to justice), Clotario Blest declared: "Without unity in the working class, there is no solution to any problem in the country. This is the fruit not of theory, but of history. I have endured more than 60 years of struggle now; I think they may believe me."

8926

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JPRS-LAM-85-050  
7 June 1985

CHILE

BRIEFS

VALPARAISO, SAN ANTONIO PORT REPAIRS--The World Bank will contribute \$6 million to the investment in urgently needed port repair projects at Valparaiso and San Antonio. The two ports were hit hard by the earthquake last 3 March. This was reported by the minister of transportation and telecommunications, Brig Gen Enrique Escobar, at the end of a meeting of the commission that is studying the reconstruction of the two port terminals. [Excerpt] [Santiago EL MERCURIO in Spanish 6 May 85 p C-7] 8926

CSO: 3348/660

COLOMBIA

BRIEFS

NEW DEPUTY FOREIGN MINISTER--Guillermo Fernandez de Soto has just been named deputy foreign affairs minister. He will replace Laura Ardila de Ochoa, who has been transferred to the Colombian Embassy in Guatemala. [Summary] [Bogota EL SIGLO in Spanish 1 May 85 p 3 PA]

NO DEBT REFINANCING--Public Credit Director Mauricio Cabrera has reiterated that this year the public debt will not be refinanced. At the end of 1984 the public foreign debt was \$8.090 billion and the private debt was \$3.6 billion. Cabrera added that this year the state will pay \$1.420 billion in debt service and that \$700 million of this amount will be interest. [Summary] [Bogota EL SIGLO in Spanish 9 May 85 p 1 PA]

CSO: 3348/684

COSTA RICA

POLLSTERS, OTHERS ON ELECTION ISSUES, PAST VOTING TRENDS

San Jose RUMBO CENTROAMERICANO in Spanish 11-17 Apr 85 pp 12-15

[Articles by Olda Maria Acuna B., Jacobo Schifter, Carlos Denton and Jose Antonio Calvo C.]

[Text] Along with others, REVISTA CRITICA has invited several members of the Interdisciplinary Development Advisory Board (CID), affiliated with Gallop International Research Institutes, to analyze possible factors that will decide the Costa Rican presidential election in 1986.

Olda Maria Acuna, a social worker and researcher with broad experience in the field of demography and who is director of the Institute of Social Studies in Population of the National University of Costa Rica (IDESPO), studies the characteristics of the main candidates. According to Acuna, the 1986 election will be defined by the sector of the population that has no specific political party, some 25 percent of the voters. As part of that sector, women with little education will have decisive influence. At the same time, Acuna presents a table of the latest opinion polls in Costa Rica. Jacobo Schifter, political scientist and historian, analyzes the class and urbanization variables and their correlation with the two majority parties in the country. According to Schifter, this class information would indicate that the CID survey of February 1985, instead of showing an advantage for Oscar Arias, points to the weakness of the liberationist candidate.

Carlos F. Denton, doctor in public administration, manager of CID and the author of several works including "Election of the President, Costa Rica 1982," published with Olda Acuna, tries to discern the influential issues of the campaign. According to Denton, Costa Ricans will cast their ballots based on their perception of what party can do the best job with respect to the cost of living, unemployment, security and other local issues. The CID researcher considers that the role of women and Costa Rica's relations with Nicaragua will be the "nonissues" of the 1986 election.

Finally, Jose Antonio Calvo, a graduate in statistics with broad experience in the planning and execution of public opinion polls, investigates the election role of communism in Costa Rica, the socioeconomic traits of the leftist voter and the possible causes of a decline in votes for Marxists in 1986.

Two Main Candidates [by Olda Maria Acuna B.]

Oscar Arias Sanchez or Rafael Angel Calderon Fournier: One of the two will be the president of Costa Rica beginning on 8 May 1986. There are more similarities than differences between them. Both are young and good-looking; both appear well on the electronic media. The two have a stable, close-knit family life, attractive, intelligent wives who participate actively in politics. Both have political experience, are well-educated, hold university degrees and the two have been ministers of state and representatives in the Legislative Assembly. Then on what basis is the Costa Rica to decide for whom to cast his ballot in February?

The voter will have to choose a single candidate and must make distinctions between them in order to do so. At first glimpse, those distinctions are not very obvious.

The democratic ideal is the choice of the highest leaders based on recognized ability and a program presented to the public, in addition to other objective factors. And yet, as in other democracies, the situation in Costa Rica is different. Many vote for emotional reasons: They know the candidate, his friends, relatives and associates and this will cause them to vote for a specific candidate. Or the government of a specific party did not give them a job. In other words, countless reasons will influence their voting decision.

On this occasion, the ideological factor will most likely be of great importance, as a result of which the choice of the president will be closely linked to his political party and not so much to his person. Many persons now vote for the candidate of the preferred party, without considering personal qualities. Others make their decision because of the traits of the candidate, without caring about the party. This final decision appears to be quite uncertain so far.

Public opinion polls reveal that 40 percent of the citizenry belongs to the National Liberation Party (PLN) and that 31 percent of the voters consider themselves to be affiliated with the Social Christian Unity Party (PUSC). A considerable group -- some 25 percent -- reports that it has no political party and the rest follow some leftist party. These figures provide a basis for assuring Oscar Arias of 40 percent of the votes and Rafael A. Calderon of 31 percent. Consequently, the victory of either one lies in the hands of those who have no specific political party: 1 out of every 4 citizens.

How does this group perceive the candidates? Actually, no differences can be noted here either. What is most striking is how little voters are informed and how little they care about expressing their views. The majority could not tell what Arias and Calderon stood for. This law of information is to be expected when one realizes who these persons are who say they have no preferred political party. Approximately half have an elementary education or less and of the group, 45 percent are women. Everything seems to indicate that it is mainly women and those with little education who will determine who will be the future president of Costa Rica.

Information gathered reveals a certain favoritism for Arias, but it is not so pronounced that it excludes the possibility of a switch to Calderon. Once again, it is the political party and the perception of it where the differences are established rather than their intrinsic personal characteristics. The clear perception of a winner is rather for R. A. Calderon and among those without a party, the ratio is 38 percent compared with 19 percent for Arias. The possibility of casting a ballot because of anticipated victory or defeat, rather than for personal values or those of a political party, enters in here.

This is how the principal candidates now shape up. There is still some time to go and it will be interesting to see how Arias and Calderon manage to strengthen certain aspects of their profile and ignore others. The campaign will be a hard one and it will not be easy to convince the many undecided voters to vote for them and their party.

#### Social Class and Voting [by Jacobo Schifter]

The National Liberation Party (PLN) and the Social Christian Unity Party (PUSC) obtain votes from all socioeconomic sectors of the country. These groups understand that a marked identification with any social sector will cost them the support of others. For this reason, their message is oriented toward the entire population. And yet, theory is one thing and reality another. In Costa Rica, as in all democratic nations, the majority parties enjoy greater preference among diverse economic groups.

Despite the fact that there is still no exhaustive study of the relationship of class and voting in the country, certain partial studies point out interesting differences. First of all, the study of Robert Trudeau points to the rural base of the PLN. This researcher studied the "urbanization" variable and found that the greater the latter, the greater the tendency to vote against liberationists. The correlation is even more significant in the presidential election of 1953 and in voting in the metropolitan area of San Jose, one of the party's weakest areas since 1953.

The voting behavior of the National Liberation Party in the five largest Costa Rican cities from 1948 to 1978 was not positive. With the exceptions of 1953 and 1982, the party lost San Jose in most elections since the 1948 civil war. The cities of Alajuela, Heredia, Limon and Puntarenas were only won by the PLN in 1953, 1970 and 1982.

The main source of support for the National Liberation party has obviously been the rural sector, since the party won the presidential elections of 1962, 1970 and 1974, without winning in more than two cities in 1962 or one in 1974.

The PLN obtains low results in the banana area, although as a result of the recent departure of the fruit company from the country, that company would no longer represent any election threat. However, the National Liberation Party obtains very low results among banana workers. Only in 1953 did it obtain a majority of the votes. However, it should be remembered that the percentage of abstentions in banana cantons was the highest in the nation. If the national average was 33 percent, it was 61 and 57 percent respectively in Osa and Golfito. Based on such a high percentage of abstentionism, we

could infer that it was due to the support enjoyed in the region by the two parties, outlawed since the Civil War (the Republican and Communist parties).

Although these studies cannot prove it definitively, the studies strengthen the hypothesis that the PLN is of rural extraction (excluding the banana zones), that it may possibly obtain urban support among the middle class and bureaucratic sectors and that it is relatively weak among rural and urban labor groups. The reasons for this phenomenon have to do with its participation in the 1948 Civil War, when the liberationists fought against the organized labor movement.

However, the studies point out the trend toward an increase in voting for the PLN in urban zones and a decline in rural areas. This phenomenon can be characterized as one of "deneutralization" of classes, meaning that the groups that clashed in the Civil War have begun to identify with the opposite party. The PLN, although it has not managed to become a typical social democratic group, has succeeded in identifying itself as more progressive in its relations with the workers, and its archrival, Calderonism, has gradually given way as the representative of the non-Marxist labor group, ever since it made an election pact with the conservative sectors. Candidate Arias Sanchez admitted it himself when he pointed out that "in recent years (1966-1974), the PLN has increased its election strength in the cities mainly represented by industrial workers, and has declined in certain rural areas."<sup>2</sup> Due to the fact that the 1982 election -- which gave it an overwhelming victory throughout the country -- was forged in the midst of an unprecedented economic crisis in Costa Rica, it will be the 1986 election that will corroborate or fail to corroborate the party's urban progress.

The Social Christian Unity Party germinated from the pact between two election forces, meaning Calderonism and the high-income group. Concerning the former, certain studies have indicated its working base. According to Salazar Mora,<sup>3</sup> Calderonism receives the support of the workers and poorer sectors, on the one hand, and that of wage-earning workers in the banana area, on the other.

His study is based on the results of the 1962 election, which was the most representative in view of the participation of Rafael Angel Calderon Guardia, head of the movement, as a presidential candidate. In that election, a larger proportion of the urban voters supported the Republican Party. Salazar Mora argues that "the predominantly urban support of the Calderonist Republican Party is due to the promulgation of the social legislation of the Calderon Guardia Administration (1940-1944), mainly the labor code benefiting wage-earning laborers and workers in the banana areas...."<sup>3</sup> Trudeau's study corroborates this hypothesis since all the correlations between organization and votes for Calderonism are positive, which is not the case of the rural areas. Nevertheless, the shift of this movement since 1948 to more conservative positions can explain the slow -- but continuous -- decline of urban (or labor?) support for Calderonism.

The other sector of the Unity Party is made up of high-income economic groups, independent professionals and of what many have described as the country's agro-exporter upper bourgeoisie. This political group has different political

factions but is mainly expressed in that of the "Echandistas," a movement connected with former President Mario Echandi (1958-1962), the unofficial spokesman of the powerful classes and that of the Christian Democrats, a group of conservative professionals unrelated to the manager state. With respect to the Echandistas, it is important to mention that this group does not include industrialists. Many of the Costa Rican industrialists, given the fact that they depend on a protectionist state, favor the liberationist administration.

Obviously, this analysis must be understood as a study of trends and not absolute values. For reasons of family, location, the charisma of the candidate, the state of the economy and others, Costa Ricans of all economic groups vote for both parties. Between 25 and 30 percent of the population are not related to any election grouping and go back and forth every 4 years in their support from the PLN to the opposition and vice versa.

The prospects of the PLN and the PUSC for 1986 are somewhat uncertain. Surveys do not show greater strength of either of the two candidates. In view of the margin of error of the results of recent CID polls, the difference favoring Arias is not significant. In addition, the CID did the interviews during a period in which the country was going through the fight for the candidacy of the PLN. This possibly helped the position of Arias over his rival, Rafael Angel Calderon Fournier. The fight is quite even, in other words, and could go either way.

Nevertheless, surveys show certain weaknesses of the PLN. Some 25 percent of the population that has not yet made up its mind includes persons with little formal education who are generally more inclined to cast protest votes, to favor the Calderonist movement or finally give support to the party they think will win the election. Calderon would benefit from these three factors. First of all, the PUSC candidate is the son of the country's great social reformer. Second, his party is in the opposition. Finally, CID polls reveal that a larger proportion of the voters believe that Calderon will win the 1986 election. For that reason, the Unity candidate could benefit from the votes of all those who "aim to win."

#### Notes

1. Robert Hervey Trudeau. "Costa Rican Voting: Its Socioeconomic Correlates." Thesis of the University of North Carolina, 1971.
2. Oscar Arias Sanchez: "Who Governs in Costa Rica?" Editorial Universitaria Centroamericana. San Jose, Costa Rica, 1976.
3. Jorge Mario Salazar Mora: "The Republican Party," Master's thesis, University of Costa Rica, 1974, p 47.

### Issues and Options [by Carlos Denton]

Absenteeism from voting booths might be the invisible issue of the 1986 political campaign. The institutionality of the Costa Rican state depends to a large extent on one of two aspects. The first is the people's perception of the country's public institutions as authentic responses to needs and problems and how they believe those institutions are doing their job. Another is the fact that the people do not perceive of public institutions as an authentic response to their requirements, which is not important because the responses come in another form.

#### Proportion of Persons Interviewed on Who Can Lead Costa Rica Out of the Crisis

Government	43 percent
Private enterprise	29 percent
Neither one	18 percent
Do not know, no response	10 percent

Source: CID National Poll No 17, July 1984

Costa Ricans maintained firm support for the institutional framework of their country when Costa Rica was going through the worst times of crisis between 1980 and 1983. Those interviewed revealed that most believed the situation would improve. Even so, they did not want budget cuts, which would mean layoffs. Nor did they want strikes in the public sector, which are generally illegal.

The latest polls reveal changes in the situation of public opinion. The optimism of previous years would seem to be evaporating. No improvements in the people's welfare are glimpsed in the years ahead, the cost of living is very high, the crisis looks worse and strikes in the public sector are perceived as more tolerable. The crux of the matter is that within 2 more years, February 1987 -- a year after the 1986 elections -- it is not expected that elections will bring change in the country's position.

To what extent that pessimism causes absenteeism at the polls on 18 February 1986 is still difficult to foresee. Nearly a year of campaigning lies ahead and perhaps some party or candidate or even both will stimulate a little optimism and consequently, participation. It is interesting to note that the support of the presidential candidates is even, meaning a particularly hard-fought campaign. It should not be surprising that neither of the two, Oscar Arias Sanchez and Rafael A. Calderon Fournier, is enthusiastically demanding a reduction in the public debt and especially any advancement, despite public statements made in favor of such a reduction in the past.

While there is some disillusionment with public institutions, in what else can Costa Ricans place their hopes? The truth is that the private sector does not inspire much confidence either.

## 1986 Campaign Issues

Need for jobs	40 percent
Need for housing	32 percent
Governmental coordination	7 percent
Maintenance of roads	6 percent
Relations with Nicaragua	6 percent
Governmental coordination	7 percent

Source: CID National Poll No 17, July 1984

### Other Issues

In addition to absenteeism and consequently, the institutionality of the Costa Rican system, there are other issues and "nonissues" of the campaign. One nonissue, obviously, is presumed to be Costa Rica's relations with Nicaragua. For the most part, Costa Ricans perceive the current government of that country as a threat to national security and do not look favorable upon it. There is no margin, within the context of current relations, for any divergency of positions. The candidate perceived to be "soft" on Managua may lose votes.

Another nonissue will be the participation of women in government. Recent surveys reveal that Costa Ricans do not see much difference in most of public administration with the insertion of more women. If one of the candidates picks a woman to run with him as vice president, he may or may not gain voters, but it will not be something that the opponent will underline in the public squares of the country.

Campaign issues will certainly be the cost of living, jobs, security and naturally, a number of local issues: the need for drinking water in one canton, nearby roads, a roof for the vocational school and other issues which, depending on how they are handled, will affect the outcome.

The surveys have asked what the main issues of the campaign will be. Of prime importance are the need to get jobs, the lack of housing, the need for greater governmental coordination, road maintenance, relations with Nicaragua, and others.

It is interesting that the issue of corruption is not outstanding. It would appear that the people have grown accustomed to believing the existence of institutionalized corruption to be independent of who is in power and consequently, it is not an aspect that will win or lose votes.

The winning party will be the one perceived as most capable of resolving these problems and the people will decide this in February 1986.

### Communist Voting Trends [by Jose Antonio Calvo C.]

Article 98 of the Political Constitution of Costa Rica establishes a ban on the operation of political parties whose ideologies, means of action or international connections would tend to violate the democratic organization or constitute a threat to the sovereignty of the country.

However, although it was not until 1975 that the terms of that article were modified to provide open political participation, leftist ideologies have been active in the elections of the past 20 years, with the exception of 1966, when, due to the interpretation which the Legislative Assembly gave to the article, the participation of no leftist party was authorized.

#### Elections

Results of voting in the 1962-1982 period show that the Costa Rican left in presidential elections has never reached important levels, although there is a slight rise. Nevertheless, in voting for deputies and trustees and councilmen, there is a larger number of votes and more sustained growth, which has made it possible in the different groups to occupy legislative and municipal posts. In the last election, however, there was a slight decline in the last two categories.

<u>Year</u>	<u>Party</u>	<u>% President</u>	<u>% Deputies</u>	<u>% Trust./Coun.</u>
1962	People's Democratic Action	0.9	3.4	2.2
1970	Socialist Action	1.3	5.5	3.7
1974	Socialist Action and Costa Rican Socialist People's Front	2.9	6.0	5.1
1978	United People Socialist Labor Organization	2.9	9.8	7.7
1982		3.3	6.4	6.2

Concerning these results, it is important to emphasize how support for these parties takes on great relevancy in certain cantons of the country located in rural zones, especially those involved in banana activity. Taking 1978 and 1982 as a point of reference, one has the following distribution of support for leftist parties in some of the cantons.

<u>Canton</u>	<u>% Trust./Coun.</u>					
	<u>1978</u>	<u>1982</u>	<u>1978</u>	<u>1982</u>	<u>1978</u>	<u>1982</u>
OSA	11.4	11.6	20.0	19.3	21.0	19.5
Corredores	12.6	11.3	31.8	18.5	33.9	17.5
Golfito	7.0	9.5	18.7	19.8	18.9	15.5
Aguirre	4.8	4.2	12.4	7.1	9.9	7.8
Sarapiqui	9.9	10.1	20.5	16.2	22.0	10.5

One can note that there is marked stability in support for the United People coalition in all cantons, with the exception of Corredores, where the relative number of voters during the period dropped notably.

This situation can be explained by the continuous work done in the area by the leaders of leftist trade union organizations and the fights for demands promoted among banana workers.

For the 1986 elections, the picture is not clear with respect to which leftist groups will participate, inasmuch as there have been disputes about the

legality of the groupings and everything would seem to indicate that there will be two factions that will fight separately in order to attract votes.

#### Political Sympathies

Public opinion polls have turned into a valuable resource to measure the way in which political preferences of the Costa Rican people will run in pre- and post-election periods.

In the case of leftist parties specifically, information has been gathered since 1979 making it possible to see a marked stability in the proportions of voters supporting them.

Data of the Interdisciplinary Development Advisory Group (CID) show that during the years of the 1979-1982 period, the level of support for the People United coalition, the most continuously active, has not exceeded 3 percent of the national electorate.

	<u>Jul 79</u>	<u>Nov 79</u>	<u>Feb 80</u>	<u>Jul 80</u>	<u>Nov 80</u>	<u>Feb 81</u>	<u>Jul 81</u>	<u>Nov 81</u>	<u>1982</u>
% Support	3	3	2	2	1	2	2	2	2

Furthermore, data for the Central Valley of the country show similar behavior for support for that faction in 1970 and 1981, distributed in the following manner:

	<u>Oct 79</u>	<u>Nov-Dec 79</u>	<u>1980</u>	<u>Jun 80</u>
% Support	4.6	4.0	2.7	2.7

One important aspect to be pointed out is that these estimates are slightly below the real levels of voting obtained in 1982, which might be explained by the fact that in a poll, the person interviewed might be careful not to openly declare himself to be a leftist or communist because of the connotations which these labels have among the Costa Rican population.

Another element helping to evaluate the stability of sympathy for leftist groups is the knowledge of the way in which they may shift when compared with a real fact, such as voting in an election. Specifically, the Presidential Information Office determined the following distribution of results:

Current Sympathy (June 1980)	Voted for People United in 1978
Total	100.0%
People United	52.7
National Liberation	10.5
Others	10.5
Unity	0.0
None	26.3

Most of those interviewed maintain their sympathy for the leftist party for which they cast their ballots 2 years ago and there is a larger proportion of those declaring they sympathize with none of those that have changed preferences. It is also noteworthy that no person shifted to the party then in power, which is the one most opposed to the leftist ideology.

Finally, it is important to note the fact that at the present time, there is a very low proportion of sympathizers of the People United coalition (0.6 percent, according to the latest CID poll), which strengthens the idea previously expressed of that faction's loss of support.

#### Leftist Sympathizers

It is not easy to try to make a characterization of persons declaring themselves to be sympathizers of leftist groups in the country, because their relatively small numbers makes it difficult to make the analyses based on information obtained in the polls.

Nevertheless, for the purpose of information, we shall present the data obtained in the CID poll completed in November 1981, in view of the 1982 elections and corresponding to followers of the People United coalition.

% Voting for People United	2.4
Region: Metropolitan	2.7
Rest of the country	2.0
Sex: Male	3.6
Female	1.2
Age: 18-24	2.8
23-39	3.6
40-59	0.8
60 and over	0.0
Education: Elementary	1.5
High School	2.4
Higher	6.3
Income: Under 2,000	2.5
2,000-6,000	2.4
6,000 and over	4.2

One can see the predominance of men, young people and higher levels of education and income among leftist sympathizers in the country, factors deserving of further study in future research into the matter.

#### Final Considerations

Based on the aspects dealt with in this analysis, one can establish certain premises for the role that might be played in the coming 1986 by national leftist groups:

1 -- This political tendency will not in the near future achieve the strength needed to become an election alternative for Costa Ricans, compared with the two majority parties.

2 -- The situation presented in the banana production areas, with the withdrawal of the Banana Company and the massive unemployment of workers have harmed the image of leftist leaders, since they are blamed for the fact that the last strike called was "the straw that broke the camel's back." This will obviously have a negative effect on the possibility of obtaining government posts during the coming period.

3 -- In order to try to maintain levels achieved in previous elections, the country's left must present an image of united factions and proposals, which does not appear feasible, judging by their different organs of communication.

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3. "Election Political Preferences of Costa Ricans in Mid 1980," Presidential Information Office, August 1980.

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11,464  
CSO: 3248/363

COSTA RICA

BRIEFS

EEC GRANTS CREDIT -The EEC granted \$500 million in credit for the Piedras Blancas complex for improvement of the drainage system, housing construction and repairs, and other agricultural projects. The plan will benefit the communities of Bahia, Copé Cortes, Sierpes, and Piedras Blancas. /Summary/ /San Jose Radio Impacto Spanish 1830 GMT 27 Apr 85 PA/

UNIONS BREAK OUT CUT--Arguing that it is a sectarian, dogmatic organization, several trade unions have withdrawn from the United Confederation of Workers, CUT. According to a recent report, among those announcing this decision is the workers' assembly of the Trade Union of National University Workers, SITUN. Many of the organizations involved disagree with CUT's direct relationship to a political party, the Popular Vanguard Party. It has also been said that leftist trade union members of CUT have charged the organization with several mistakes, such as the latest banana workers strike. The unions added that CUT's mistakes and sectarianism came to an end through the most powerful /words indistinct/ of Costa Rica's labor class. It has also been reported that the trade unions consider that CUT's close relation to the Popular Vanguard Party has caused CUT to lose its independence. Other trade unions are expected to BREAK WITH CUT in the next few days. /Text/ /San Jose Radio Reloj in Spanish 0100 GMT 8 May 85/

CSO: 3248/356

CUBA

BRIEFS

AALAPSO COMMEMORATES POLISARIO ANNIVERSARY--The Afro-Asian-Latin American People's Solidarity Organization [AALAPSO], has released a statement marking the 12th anniversary of the formation of the Popular Front for the Liberation of Sagui el Hamra and Rio de Oro [Polisario], genuine representative of the Democratic Saharan Arab Republic. The AALAPSO document says the Saharan people have achieved important progress in the consolidation and growth of social, economic, and cultural structures, and in education, public health, and standard of living in the liberated zones despite the problems imposed by the war. [Text] [Havana Domestic Service in Spanish 2130 GMT 16 May 85 FL]

TRADE AGREEMENTS WITH BULGARIA--Cuba and Bulgaria signed trade agreements for 1986 totaling over \$32 million. Pursuant to these agreements, Cuba will receive industrial equipment, medicine, and food products. [Summary] [Havana International Service in Spanish 1600 GMT 11 May 85 PA]

CSO: 3248/384

DOMINICA

## POLITICAL FORCES PREPARE FOR COMING GENERAL ELECTION

### Analysis of Prospects

Bridgetown BARBADOS ADVOCATE in English 24 Apr 85 p 4

[Article by Tony Payne]

[Text]

Elections are due this year in the small Eastern Caribbean island of Dominica. Under the Constitution the government can hold on till October, but most observers feel the poll will be around mid-year.

This will be the first opportunity for Dominicans to pass judgement on the Dominica Freedom Party (DFP) regime of Miss Eugenia Charles, which swept to power in July 1980 pledged to restore confidence in the honesty and efficiency of government after four or five years of misrule by factions of the traditionally dominant Dominica Labour Party (DLP).

As Prime Minister 65-year-old Miss Charles has brought her imposing personality to bear on the country's affairs. All major government decisions have been channelled through her and all ministers have been very much her appointments. Some Dominicans, especially those on the left, have felt that her style has had potentially dangerous authoritarian implications.

Yet externally the government approach has been highly deferential. On the economy, DFP policy has been to beg and borrow as much money as possible from foreign governments and international agencies in order to build up Dominica's limited infrastructure to a point where foreign businessmen might consider the island a lucrative place to invest in.

To this end Miss Charles has turned herself into a "professional mendicant"—to use the unkind term of one unadmiriring fellow Caribbean politician. In this connection she has used to the full her pro-Western credentials. These were apparent even before she made her famous appearance beside President Reagan announcing the Grenada invasion. Since then they have been further developed and continue to get their reward.

This can be seen both in the military training and defence aid the Charles regime has received from the US since October 1983 and the continuing USAID Dominica receives. Recent announcements include a US\$5 million grant to expand the east Dominica electrification programme and US\$5.3 million more for the Roseau — Hatton Garden road rehabilitation scheme.

The second project is intended at last to provide dependable access from the capital to Dominica's international airport at Melville Hall, 30 miles north, improving tourists and investment prospects and easing agricultural transportation problems at a stroke.

In Dominica this is the sort of achievement which can and does win elections, as Miss Charles well knows. A year ago she said: "If we can get the roads fixed up, we might just get back."

The greater inflow of money into the country, combined with refinement of the government's ability to absorb and spend it, has also paid dividends in respect of the economy.

The tiny manufacturing sector has grown as new industries have started up. Tourism has expanded a little and for a couple of years agricultural production, especially in the critical banana industry which still accounts for 70 per cent of foreign exchange earnings, recovered well from the 1979 and 1980 hurricanes. Last year heavy winds again did serious damage, but a more alarming problem has been sterling's fall against the US dollar.

Ever since the Eastern Caribbean dollar was revalued against the US dollar, at US\$1 to EC\$2.70, Windward Islands governments have unsuccessfully pressed Britain to introduce a fixed "banana pound" for the purchase of their fruit so as to safeguard the dollar purchasing power of their earnings. Last year revenue losses caused by exchange rate factors pushed the Dominica Banana Marketing Corporation into EC\$16 million debt.

A government-appointed tribunal has called for a wage freeze in the industry as a means to ensure its survival, but this provoked the Amalgamated Workers Union into a warning of discontent among its members. A union letter to tribunal members, copied to Miss Charles, said that without a contented workforce "the industry is equally doomed."

Prospects for the DFP government are not therefore entirely rosy, although some say that Miss Charles has done enough economically to get re-elected.

Her greatest asset until recently was that the opposition was divided. Three parties were in the field. The old Labour Party, reformed at the end of 1982, was being led by former Prime Minister Oliver Seraphine. However, his indiscretions in office are remembered and his leadership did not arouse great enthusiasm.

More energy was being generated by the breakaway United Dominica Labour Party (UDLP), led by former DLP Finance Minister Michael Douglas. The UDLP convincingly defeated the DFP and DLP in local government elections in the northern town of Portsmouth last August, taking all five council seats. But Portsmouth is a Douglas family stronghold and there was no firm evidence of much UDLP support elsewhere.

The Dominica Liberation Movement Alliance, a left-wing party, is unlikely to do any better than other radical parties in the region following the bloody disintegration of the left-wing revolution in nearby Grenada 18 months ago.

In February the situation was potentially transformed. When, after months of talks, the DLP and the UDLP formed a united front. Mr. Douglas easily beat Mr. Seraphine in the leadership contest and now the Labour Party is talking confidently of victory.

Miss Charles has a much more serious fight on her hands than appeared likely at the beginning of the year. The result could be close. In the final analysis the most significant factor may turn out to be the expected strong support from Washington for Miss Charles. — GEMINI.

#### Opposition Leader's Decision

Bridgetown BARBADOS ADVOCATE in English 8 May 85 p 3

[Text]

ROSEAU, Dominica, Tuesday, (CANA) — The leader of the opposition in Dominica's Parliament, Mathew Joseph, announced today that he is to contest the forthcoming general elections as an independent candidate.

That statement by Joseph is confirmation that he has severed links with the main opposition Labour Party of Dominica (LPD) following his surprise choice earlier this year as opposition leader.

Mr. Joseph, a relative newcomer to politics here entered Parliament in 1980 on a ticket of the then Democratic Labour Party which is now merged with other splinter Labour Party groups to present the main challenge to the ruling Dominica Freedom Party.

In an about-turn, Joseph last January withdrew his backing for LPD leader Michael Douglas, and secured the support of two independent parliamentarians and election as opposition leader.

His announcement that he is to contest the Salybia constituency, home of

Dominica's indigenous people the Caribs of which he is a descendant, came as no surprise since the LPD had already named another candidate to contest the seat.

General elections are constitutionally due here by October this year.

Mr. Joseph also announced that he is to recommend to president Clarence Seignoret the appointment of four new opposition Senators to replace those appointed since 1981.

Mr. Joseph said that two of the new Senators would come from his constituency, Salybia, east of here and that they would be appointed before the next sitting of parliament this month.

"It is my intention to remove the Senators...it does not mean that I am not satisfied with them."

The four Senators, Trade Unionist Frederick Joseph, Bernie Didier, Julius Timothy, a businessman and opposition candidate Elford Henry were appointed by President Seignoret in his own deliberate judgement three years ago.

Bridgetown BARBADOS ADVOCATE in English 8 May 85 p 3

[Text]

ROSEAU, Dominica, Tuesday (CANA) — The Dominica Freedom Party (DFP), seeking endorsement for a second consecutive five-year term in forthcoming elections, plans to present its candidates at a rally on June 2 in the second town of Portsmouth north of here. DFP leader and Prime Minister Eugenia Charles said.

Miss Charles told a weekend rally in the rural village of Vielle Case, 52 miles north of here, she was confident that her middle-of-the-road party would emerge victorious in the poll due by October.

"There is absolutely no doubt (as regard to) if we will win the next election. The question is how many (opposition) deposits will be lost," she told hundreds of supporters.

The newly reconstituted Labour Party of Dominica (LPD) will mount the main challenge to the DFP, which won 17 of the 21 parliamentary seats in the last poll in July 1980.

Speakers at the rally continued their attack on the LPD, led by ex-Finance Minister Michael Douglas, charging it would set up a Communist administration if it wins power.

Among the LPS's slate of candidates, presented to the public already, are members of the leftist Dominica Liberation Movement (DLM) which decided to stay out of the contest.

DFP speakers also repeated charges that foreign Governments were meddling in the island's affairs in an attempt to bring about the defeat of the DFP. Miss Charles has named Libya, Cuba, North Korea, Panama and Guyana.

#### Political Factors

Bridgetown CARIBBEAN CONTACT in English May 85 pp 2, 13

[Article by Earl Bousquet]

[Text]

THE ruling Dominica Freedom Party (DFP) is facing its greatest political challenge in five years, as the Caribbean's first woman Prime Minister prepares for the first general election she will call since she first took office in late 1980.

It will be the second general election in the DFP's history, and the first for the merged Opposition Labour Party of Dominica (LPD) led by parliamentarian, Mr. Mike

Douglas, the main contending party in the upcoming poll, which must be called not later than October.

Prime Minister Mary Eugenia Charles' DFP and the LPD are both neck-deep into pre-election campaigning, selecting candidates and wooing voters on this 751 square kilometre Eastern Caribbean island of over 76,000 inhabitants. Both parties held major Easter weekend rallies last month, at

which they issued passionate appeals for the over 40,000-strong electorate to give them the next turn at the political helm of this newly-independent former British colony, the northernmost of the Windward Islands.

While the DFP leadership argued that the party was now settled after its first term and is ready to institute a plan based on experience amassed, the LPD's leaders are acknowledging its efforts.

But, says Mr. Douglas, the time has come for the over sixty-year-old leader and her party to pass the leadership onto "younger and stronger shoulders".

It's early days yet to predict the possible outcome of the Commonwealth of Dominica's next poll, or how the parties will fare. But observers on the island concede that the DFP is facing a greater challenge this time around than when it trounced the several other parties in the multi-cornered 1980 electoral contest.

Naturally, Miss Charles dismisses all suggestions that the DFP may lose the upcoming poll. Responding to suggestions that the united Opposition may make another DFP victory difficult, she recently said that the merger by the opposition forces "makes it easier" for the DFP to concentrate all its efforts "on one single party".

The challenges facing the DFP today are both political and economic. It is presiding over an economy beleaguered, like in the neighbouring OECS states, by the adverse effects of the regional trade crisis and the lowering value of the British Pound (Sterling), which not only drastically reduced the small island-state's revenues from exports, but also the value of aid from Britain and the other member-states of the European Economic Community.

The widening gap between imports and exports, a weighty national debt, and insufficient foreign aid are other factors, in a situation where manufacturing is negligible, and despite a massive externally-funded road-building programme, employment generation on the island is below the levels necessary to make the required impact on unemployment.

Aware of these factors, the DFP has been approaching its campaign carefully, but, says Miss Charles, with "a lot of optimism". This time around, she said in a recent interview, the DFP "won't be making any promises" to the electorate, but will be "planning ahead".

*But from all appearances, Miss Charles and the DFP will have to have a veritable masterplan this time around, to defeat what has been shaping up to be a formidable Opposition alliance, that already includes three parties devoted to presenting a single and united challenge to the DFP this year.*

#### THE LPD

The LPD has already chosen 19 of its 21 candidates, drawn from the ranks of the several former factions of the once formidable Labour Party (which led the island for decades before its demise during the tenure of Mr. Patrick John's leadership) and reportedly including one person from the small Dominica Liberation Movement (DLM).

It represents the culmination of months of discussions between Mr. Douglas' United Dominica Labour Party (UDLP), former 'Interim' Prime Minister, Oliver Seraphine's Democratic Labour Party, former Prime Minister, Patrick John's Dominica Labour Party, and the DLM, following the victory of a united 'Labour' platform in the local government election in Portsmouth, the island's second largest town, last year. *In that election, the DFP failed to win any of the five seats contested.*

Portsmouth (the hometown of the LPD's leader) is a 'Labour' stronghold, but observers on the island point out that the DFP put all its resources and efforts behind

its candidates in last year's municipal poll, in an effort to dislodge the Opposition's domination in an important constituency.

Late last year, catalysed by the Portsmouth victory, the opposition parties announced that they would merge to support the strongest candidate in each constituency, and those selected would themselves vote, "by secret ballot", to elect a leader from amongst themselves. Mr. Douglas emerged earlier this year as the leader of the LPD, with Mr. Seraphine as his Deputy. The leadership also includes former DFP Minister of Communications and Works, Mr. Henry Dyer, who quit Cabinet and the ruling DFP last year and joined the Opposition's ranks.

#### CONTROVERSY

The island's 21-member Parliament has been without an official leader of the Opposition for most of its current five-year term. But in late January this year, the position was filled following a controversial political manoeuvre that left the main contender (Douglas) losing his single-vote majority overnight to Mr. Matthew Joseph, whose support Mr. Douglas claimed to have been assured of up to the day before! With five members on the Opposition side in Parliament, Mr. Douglas had Mr. Dyer's support and was banking on Mr. Joseph's to be named to the post. But the Speaker of the island's Parliament said she'd received communication pledging support of the other two opposition parliamentarians (one an 'independent') for Mr. Joseph, who was named to the post.

Mr. Joseph, of Carib descent, was originally elected on the platform of Mr. Seraphine.

phine's Labour Party in 1980, but broke with the party later. His current political affiliation is officially unknown, but Mr. Douglas and the LPD leadership accuse him of 'collaborating' with the DFP. This has left Mr. Joseph leader of a divided parliamentary Opposition.

However, at a session of the House of Assembly last month, Douglas and two other Opposition members stormed out of Parliament, demanding its dissolution, and calling for early general elections. But Home Affairs Minister, the Hon. Brian Alleyne, responded that such powers were vested only in Prime Minister Charles, who, under the island's Constitution and electoral laws, is the only person to decide when Parliament will be prorogued and when elections will be held.

The date for the next Dominica poll is Miss Charles' best kept secret. Analysts on the island speculate that she may call it between June and July, and there are yet no definite signs that another date is not also being considered.

*However, like many of her Eastern Caribbean counterparts in the economically weaker OECS states, her administration has been reluctant to swallow the economically necessary but politically costly measures being advocated to CARICOM leaders by the regional institution's economic experts over the years, and crystallised into the remedial packages presented to the states at CARICOM summits and Ministerial meetings.*

Successive CARICOM Secretaries-General, from Mr. Demas to Mr. King to Mr. Rainford, have repeatedly pointed out to the region's leaders that they must begin to demonstrate "the political

will" to institute the measures being advocated for the level of social and economic reform that was necessary to avoid the pitfalls and catastrophes currently facing the economies of most of the member-states of the regional grouping.

Most have been unprepared to demonstrate that political will, and between now and 1987, several of the ruling parties will be facing the polls with a negative overall performance record for the current term, on account of their choice of awaiting a fresh 'mandate', while stumbling through the current rough economic conditions facing the region, in the hope that partial solutions, however small, will take them through to polling day. This appears to be the case in the Commonwealth of Dominica, where the DFP is building its campaign around offering effective solutions in a second term.

Nonetheless, Miss Charles and the DFP are obviously aware of the challenges they face. For example, the DFP insists that it has created jobs during its first term (in response to the Opposition's charges that it has not satisfactorily changed the unemployment situation since 1980), and it does so against a background of migration of several thousand unemployed Dominicans to neighbouring islands in search of jobs.

There are an estimated seven to ten thousand Dominicans in the neighbouring French colonies of Guadeloupe and Martinique. In Guadeloupe, they have become victims of a tough immigration policy. French employers profit from their cheap illegal labour, and they are the targets of abuse from the trade unions, whose members complain that their jobs are going to Dominicans for cheap wages!

With inflation in Dominica and the rest of the Caribbean rising so steadily, and with jobs not being created in the volume and with the rapidity necessary to offset the potential politically disruptive dissatisfaction of the growing numbers of unemployed Dominicans and low wage-earners, Miss Charles and the DFP face a mountainous task in convincing the electorate that they should not "give labour a chance", as the LPD leaders are pleading for.

#### **WASHINGTON'S ROLE**

As the election approaches on the mountainous Caribbean island, regional observers are awaiting the playing of "the Washington card".

Since the 1982 election in neighbouring St. Lucia and the 1984 elections in Grenada, regional critics have wondered what influence Washington will exert in the Dominica election. The Opposition there has consistently accused Miss Charles of being "dangerously close to the Americans" since taking office, and moreso since the island's Prime Minister appeared alongside President Reagan on US and world TV screens, to justify the US-led invasion of a fellow OECS member-state.

Washington has assisted the DFP administration through aid and loans for road and other developmental projects on the island, but, say observers on the island, in insufficient volume to sufficiently bail the country out of its economic troubles. Like its other OECS counterparts, the Charles administration has not been able to reap enough of the 'benefits' of a CBI designed more with the US's Central American client-regimes in mind.

If St. Lucia and Grenada were anything to go by, it can be expected that Washington will find the ways and means of clearly showing who it supports when the Dominica election bell is finally rung.

But until then, Miss Charles continues to face the stiffest challenge to her DFP's efforts to continue to rule the "Land of Many Rivers" until 1990!

CSO: 3298/686

DOMINICA

CIVIL SERVANTS PRESS DEMANDS, EMPOWER UNION TO NEGOTIATE

Bridgetown DAILY NATION in English 29 Apr 85 p 7

[Text]

ROSEAU, Dominica — Dominica's civil servants have given their union a free hand to pressure the government into negotiating a new pay package.

The move came at an emergency meeting of the Civil Service Association (CSA). CSA members passed a resolution empowering the union "to pursue and execute any action that may be necessary to spur government to the negotiating table".

The union, which is seeking a 47.5 percent pay increase for its members, had set last Thursday as the deadline for the government's response.

However, the CSA's General Secretary, Arthur Smith, said the response was "not one of substance", adding: "The response does not address the concerns of the association as communicated in numerous correspondence to government since March 12."

Mr. Smith, in an address to the weekend emergency meeting,

said that even before the CSA had given government an ultimatum, Prime Minister Eugenia Charles had informed the union that it had not called for negotiations "because government doesn't know where the money is coming from".

He added: "The Question as to where the money is coming from can't be a reason for not meeting with us. The fact that civil servants are due for an increase in 1985 can't be a surprise to anyone, less so the government."

Civil servants here received a ten percent pay increase annually over the past three years following government's decision to enter into an EC\$37 million (about BD\$27 million) loan agreement with the International Monetary Fund (IMF) for strengthening the Dominica economy.

The CSA said that it demanded a 47.5 percent wage increase to help offset "the erosion of the purchasing power of the pay packets of government employees caused by increases beyond that level in the cost of living".

Mr. Smith said the CSA had submitted its proposals to government last January. (CANA)

CSO: 3298/686

DOMINICA

BANANA INDUSTRY LEADERS CITE FURTHER GROWTH, BETTER QUALITY

Bridgetown BARBADOS ADVOCATE in English 30 Apr 85 p 3

[Article by Peter Richards]

[Text]

ROSEAU, Dominica, Monday, (CANA) — Dominica banana officials today predicted continued growth of the key banana industry but warned that there was still a need to improve the quality and quantity of bananas shipped to Britain, the island's chief export market.

Chairman of the Dominica Banana Marketing Corporation (DBMC) Vanoulist Jno-Charles said that the industry was now "poised to take off" following years of instability and that it is "in a relatively stronger position both in terms of improved fruit quality and slightly increased export tonnage." No figures were released.

Addressing the first annual general meeting of the corporation, Mr. Jno-Charles said that sounder management techniques adopted over the past year had assisted the industry's growth. As an example, he said, the DBMC was now able to stock "all manner of inputs."

However, in a report submitted to the meeting and made available to newsmen, Mr. Jno-Charles noted that the industry was still saddled with a massive debt burden. "We have been successful in reducing our current liabilities by over EC\$1 million in the past two years" he said, noting however that repayment of long term loans was now due.

Company officials would not disclose the total debt of the industry but last January Agriculture Minister Heskeith Alexander put the figure at EC\$15 million.

Mr. Alexander told today's meeting that his government was committed to the survival of the industry, which provides more than two-thirds of the country's export earnings. But he warned that its future will also depend on the role banana farmers play.

"We would like the industry to continue to run on a business line, we would like the quality and production to increase," he said.

Mr. Alexander said that government was seeking financial assistance from aid donors to "go into a complete rehabilitation of the industry and to give further input assistance to the farmers."

A report submitted to the meeting said that by the end of 1985, some 65 per cent of the banana production should be field packed, thereby improving fruit quality for the demanding British market, which had complained of falling standards.

"We must not however become complacent but always strive to maintain and indeed improve upon this level of quality" Mr. Jno-Charles said.

CSO: 3298/686

JPRS-LAM-85-050  
7 June 1985

DOMINICA

BRIEFS

HYDRO-POWER AID--Roseau, Mon (Cana)--Three banking institutions will assist Dominica in the development of its hydro-electric power, a government statement said. The statement said that the European Investment Bank, the World Bank and the Caribbean Development Bank (CDB) had all agreed to invest in the project at an international aid donors meeting held in Roseau. Dominica is seeking an estimated \$25 million to implement phases one and two of the project, for which a feasibility study has already been carried out by a Canadian firm through a CDB loan. The statement, quoting the chairman of the meeting, Dr Bernard Yankey of the CDB, said that other donors represented at the meeting had also pledged their commitment. At the meeting Prime Minister Eugenia Charles said that the development of hydroelectric power was needed here so as to decrease the island's fuel bill and help improve the tourism, industrial and agricultural sectors. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 7 May 85 p 14]

CSO: 3298/672

ECUADOR

#### OPPOSITION LEADERS ON MINIMUM WAGE, OTHER ISSUES

Guayaquil VISTAZO in Spanish 29 Mar 85 pp 11-12

[Text] Disagreements between the president of the republic and the National Congress concerning the increase in the minimum wage have led to a renewal of the conflict between branches of government and its culmination in the Executive Branch's failure to recognize specific acts of the National Congress and the resolutions of the Tribunal of Constitutional Guarantees, whose actions it challenges, labeling it as unconstitutional.

What is the opinion of the opposition, however? What is the basis for asking for a 51-percent increase in the minimum wage, despite the economic crisis affecting the country? VISTAZO presents the arguments of some of the most representative spokesmen of the opposition.

Leon Roldos: "The wage of 8,500 is imposed by the International Monetary Fund."

"Actually, the bill to increase the wage to 8,500 sucres is not a sovereign decision of Ecuador, but rather, part of the Stabilization Plan worked out between the National Government and the mission of the International Monetary Fund. It is deplorable to have to admit it, but if we abstract the purely economic aspects, renegotiation of the foreign debt by the new government has been a positive step for the country and the conditions achieved are better than those obtained by the previous government. Naturally, the broader framework of reference -- the pressures from Latin American countries have increased -- has changed and the International Monetary Fund has imposed its Stabilization Plan, but in general, the renegotiation has been good.

"Going back to wages, I presented my proposal of beginning to increase the wage to 8,500 sucres and then gradually increase it to 10,000 in June. But the idea was not accepted and now the president sets 10,000 starting in January 1986, which is an unrealistic position because we do not know what inflation will be in December 1985.

"In general, I believe that discussion of the wage was not actually the basic issue. What they wanted was to create a new fight and show the image of

Febres Cordero winning out over Congress once again, without considering how serious taking such a posture is for the country."

Edelberto Bonilla: "The president's bill is unconstitutional."

"The wage bill which the president submitted is unconstitutional because according to the constitution, the president can submit urgent bills when they deal with economic issues, not when it is a matter of social affairs dealing with labor. Furthermore, it was not timely because it sent it when Congress had already passed one wage law and did so for the sole purpose of disrupting our work.

"The president of the republic responds to the interests he represents: business. This is clearly shown in his wage policy.

"Consequently, when Congress decides to increase the minimum wage of workers by 51 percent, the president is opposed, despite the fact that we have enough financing and it comes from the right places: 9 billion sures from the fuel price increase; 3.4 billion from the increase in taxes on commercial transactions without increasing the rate -- it stays at 6 percent, but it is undeniable that since prices have gone up, taxes have gone up also. Finally, a tax is set that was to be paid by those benefiting from the 'sucratization' of the foreign debt. Those enjoying the privilege of paying 16 percent in interest while the rest of us Ecuadorans pay 23 percent. They have a term of 7 years to pay their debts and a 9-semester grace period during which they only pay interest. They pay a tax calculated on the difference between the 16 percent and the rate in force during the 7 years which payment of the debt takes. In other words, it is a 7-percent tax.

"The president warned that he would veto our law and it is obvious that he will veto it because it hits the pockets of his close associates and friends. At the same time, he submits a bill to increase wages to 8,500 sures, but with other sources of financing: one similar to that of the Congress with respect to customs duties, but another from a monetary devaluation, a product of the increase in the price of the petrodollar. This measure is inflationary and unsuitable. Naturally, Congress refused to pass it."

Fernando Larrea: "Authoritarianism has governed relations with Congress."

"In relations between the president and Congress, one must point to one aspect of the personality of Febres Cordero: his authoritarianism. Febres Cordero has been unable to leave off his campaign rhetoric and replace it with the pondered words required for the president of the republic.

"I believe that in this sense, his dealings with the opposition have been wide of the mark, mistaken, devoid of the respect that one must necessarily have in a democratic state in which we all want the government and the opposition to oppose acts not in keeping with the nation's best interests. That is one of the negative points of Febres Cordero: believing that the opposition is seditious and not letting it do its work. Actually, the exact opposite is true. The experience of these 7 months in government favors the opposition in the sense that it has been characterized by its high patriotic and democratic spirit."

ECUADOR

CONGRESS REPORTEDLY LOSING PUBLIC CONFIDENCE

Guayaquil VISTAZO in Spanish 12 Apr 85 pp 4-8

[Interview with Carlos Feraud Blum, president of the Congress; date and place not given]

[Text] In the two conflicts that have occurred between the Legislature and the Executive Branch so far this term, which began on 10 August, the clear winner has been the Executive or, to be more precise, Leon Febres Cordero. In the first struggle, Congress had to resign itself to the fact that none of the candidates it had appointed as ministers of the Supreme Court of Justice would ever occupy the post and that that high court would finally be made up of government candidates. Even worse, it had to bear the humiliation that the police, acting on "orders from above" and using simple but convincing physical force, prevented appointed ministers and those invested by the Parliament from even approaching their offices.

In the second battle, against the express pronouncement of the National Congress and the Tribunal of Constitutional Guarantees, which also had to enter the dispute, the President enforced his own wage law, complying to the letter with the repeated and categorical warnings he had issued on the subject. As far as we can recall, there is no case in national history of a Congress that has received equal treatment from the Executive and that has, in the final analysis, swallowed it. There have been dissolutions of congresses or assemblies and open and declared dictatorships have emerged, but this time, things have been different. Congress has "taken" the strong blows from the Executive Branch ("taken" in the boxing sense) and continued to function. As a result, democracy has been saved, some say, but others reply that the price has been too high and that it could go even higher in the future.

There have been various reasons for this, let us say, passive attitude on the part of the Congress vis-a-vis the Executive Branch, but among the most important ones is Congress' loss of prestige with public opinion, a loss of prestige so great that it would now be very difficult to find any kind of support for Congress among public opinion. It might be said that in the confrontation between the Legislature and the Executive Branch, the greatest strength of the latter has been the weakness of the Legislative Branch!

What is the reason for this loss of confidence of the National Congress? Aside from the fact that -- apparently without exceptions -- there is in

Ecuador a tradition of unpopularity of congresses, this case presents the undeniable fact that for one reason or another, it has failed almost absolutely to fulfill its two essential functions, which are those of passing laws and levying taxes. In 8 months, it has scarcely drafted two laws: the CONADE [National Development Corporation] law, in effect because the Executive Branch sanctioned it, and the wage law, thwarted by the Executive veto. Concerning the second wage law passed by Congress, which would have implemented the minimum living wage of 10,000 sucres effective 1 May, it should be recalled that what Parliament did was to receive the bill as presented by the Executive Branch and reform it in such a way that it could not fail to be vetoed by the president.

When, to the sterility of the congressional labor, one adds the quarrels, rows and scandals that have frequently occurred in the National Congress, one basically has an explanation of the loss of congressional prestige with public opinion. In the following interview, the president of the Congress, Carlos Feraud Blum, analyzes this loss of confidence and its fundamental causes from the standpoint of the lawmakers.

Carlos Feraud Blum: "The Front No Longer Exists"

[Question] Congress' position vis-a-vis the Executive Branch appears to be extremely weak, despite the fact that the opposition holds a majority in it. Do you believe that Congress has halted this deterioration in prestige with public opinion?

[Answer] First of all, one must point out that the Ecuadoran people voted for 42 legislators of the Progressive Parliamentary Block, of which, by various means, the government managed to take out 5, leaving only 37 legislators. That number has now dropped to 36 because of the internal situation of Deputy Mario Fidel Suarez.

[Question] When you say that the government took deputies away from you "by various means," precisely what do you mean?

[Answer] To offers of money, to offers of turning the province over to them so that from the governor on down to the last political lackey, they might use appointments to give political power to their relatives.

[Question] Can you cite specific cases?

[Answer] To Deputy Lalama, for example, they gave Imbabura. The majority bloc is a bloc with a precarious majority. For different reasons of domestic problems, sickness, and so on, we often have in the chamber only 34 or 33 legislators rather than a majority. This is only the beginning. Second, as never before in history, Congress has been the victim of attack: physical, verbal, different measures, punches, telephone lines cut, utter chaos. They could find no better way to weaken Congress' action. And yet, we have an accomplishment that in my opinion is worth more than the 200 or 300 laws we might have passed: uniting the efforts of the center left, which was never united before and which suffered great internal contradictions. This is a far-reaching political and historical fact.

[Question] Critics of Parliament observe that in 8 months of work, scarcely two bills have been passed: the organic CONADE law and the wage bill. Why such legislative inaction?

[Answer] That is a very primitive and simplistic way of analyzing the National Congress, almost amounting to weighing it. So many laws worth so much. No. The simple fact of consistently organizing an opposition justifies the action of Congress in these 8 months. It is true that we have only passed two laws and that the Organic Law on the Legislative Function is only now ready for the first debate. But we are the only sector that has presented opposition to the arbitrary and abusive government that has tried to monopolize all state functions, that has tried to become the tutor of the Congress, the Supreme Court, the Tribunal of Constitutional Guarantees, the Supreme Electoral Tribunal, in short, of all organs of government. That is a merit of the Congress.

[Question] Do you deem it proper to leave all the legislative work up to the standing legislative committees?

[Answer] That has always been the case in all congresses.

[Question] But why this legislative sterility on the part of the Congress?

[Answer] Because of its very composition. It is a large body: 71 legislators. There are 13 parties represented in Congress. If there were two or three: one of the right, another of the left and perhaps one in the center, then I think Congress would function better. Nor can we forget that old custom of the provincial deputies who come to speak to their political followers, to their province, and say: "Tune me in on Friday at such and such an hour; I am going to be talking at that time." It does not matter what they say and when they finish, they leave. They do not care one whit whether Congress is left without a quorum.

[Question] What is the current situation of the tension between the Legislative Branch and the Executive Branch?

[Answer] Tension between the Executive and Legislative branches has to do with the lack of respect for state functions. We have an arrogant president who wants to control everything. The Congress interprets the constitution in one way and the president does not agree, says that it is unconstitutional. Everything the president does not propose is unconstitutional and he immediately sends in the police. When Congress named the new Supreme Court of Justice, the president said that it was unconstitutional, sent in the police and did not allow the ministers to enter the Hall of Justice. How similar this is to what is happening in Honduras! That is the cause of the problem. When this disappears, when the president realizes that he is only the president and has to act within the scope of his powers, then the country will be able to operate perfectly and in peace.

[Question] How do you view the future of relations between the two branches?

[Answer] I believe that the problem lies with the temperament of the president. It is very difficult to change the man. He is what he is. He is arrogant, arbitrary and abusive. I doubt he will change.

In the month of December, we took a step backwards and talked with the president because we understood that he wanted -- wrongfully -- to have a quota for the organizations to be appointed: the Supreme Court, the plenary council of the standing legislative committees, the Tribunal of Constitutional Guarantees, the Supreme Election Tribunal. We understood that and took a step backwards, signing what was called the "overall agreement." The president kept his word and so did we. But imagine how the government achieved the purposes it was seeking and how it has its people in the different organs I mentioned. Now the president is starting a new fight because of the matter of wages. This may confrontation may be overcome through a new understanding with the Executive Branch and there is already talk of this. It is possible. But another problem will soon crop up because of the president's temperament.

[Question] In the past, there was talk of trying the president, or at least his minister of government. Will that be done? If so, will you wait for a regular congress or call a special congress?

[Answer] Congress has the constitutional powers to try and remove the president or his ministers. We are not waiting for a regular congress because we maintain that a challenge to the president or any of his ministers can come about either in a regular or special session of Congress. However, we do not want to aggravate the crisis with such challenges.

[Question] Do you believe that the constitution should be reformed?

[Answer] I believe it is necessary to do so.

[Question] In what aspects?

[Answer] In the structure of the Congress, for example. I believe in a bicameral congress. I believe that with two chambers, one can study the law better and this guarantees the efficacy of legislative action. The mechanism is somewhat slower but we would gain in sureness. In the unicameral congress, one can move more quickly, but we sometimes have dreadful extemporaneous action. There are also other things to reform: Taxation would be the power of the Chamber of Deputies. The very mechanism of constitutional reform should be flexible and more autonomy should be given to the provinces.

[Question] It is said that one of the reforms that may be proposed is increasing the term of provincial legislators from 2 to 4 years.

[Answer] My party, the Democratic Party, has given me instructions in writing to oppose that reform. I am against that reform.

[Question] How do you perceive the reaction of public opinion to Congress? Has its image deteriorated?

[Answer] That is a delicate question, but I am going to give you a frank, direct answer. We see that the mass communications media in general show a rating of 95 for the National Government. That is something we read and hear every day. The other day, for example, one television channel dared to ask for the cassette of the speech of the president of the Congress 48 hours ahead of time in order to decide whether or not to air it or how it would do so, which Baca angrily rejected.

[Question] But what I am asking you is the reaction of public opinion in general.

[Answer] It is obvious that the communications media influence public opinion, but the people are now realizing that the root of the crisis is the authoritarian attitude of the president, although the latter uses demagogic and populism. He goes to Guasmo to open a little strip of asphalt that will break up with the first winter and he reaps political benefits. That is a typically Velasquist tactic.

[Question] But in general, what is the reaction of public opinion?

[Answer] Just look how the teachers and workers have protested, even though the newspapers have minimized the strike. "Strike Fails!" you read in the Guayaquil dailies. The strike did not fail; otherwise, we would not have 150 in jail. If the strike was a failure, then why so much repression? I saw the army south of Quito. When I was minister of government, I never brought out the army to put down a strike. The police were enough to ensure order. This government brought out the army. I saw it.

[Question] Is there organized opposition to the government of the Reconstruction Front?

[Answer] There is no government of the parties of the Reconstruction Front, but rather, a government of the president's friends. We can name them: Francisco Diaz Garaicoa, Luis Robles Plaza, Joffre Torbay, Charlie Pareja, Miguel Orellana. They are the ones who make the government. There is no government of parties; there is only a government of friends.

[Question] What maintains the unity of the Reconstruction Front?

[Answer] What Reconstruction Front? The Reconstruction Front does not exist! In the Liberal Party, Alvaro Perez and Carlos Luis Plaza Aray are tearing each other apart. In the Conservative Party, there is another fight to the death between Colonel Armijos and Teran. The Revolutionary Nationalist Party, as far as I know, almost does not exist and you can say the same or worse for the CID [Democratic Institutional Coalition], so what Reconstruction Front are you talking about?

Who do you think won the 6 May elections? The Reconstruction Front? That is not true! Deteriorating parties! Parties like the CID, the PNR, the Conservative and even the Liberal parties should disappear.

The elections were won by Leon Febres Cordero and that is it! And Febres Cordero will be done when his term of office is over.

[Question] They say that the Marxist parties dominate decisions in the Progressive Parliamentary Bloc. Is that true?

[Answer] That is not true, although the government calls us the communist bloc in order to make us look like witches. That is not true. Look, my party has only two deputies in the Bloc and I was elected vice president of the Congress.

[Question] Finally, what is the future of Ecuadoran democracy?

[Answer] I believe that this imperfect democracy which we have in Ecuador will continue. We shall do our utmost to see that President Febres Cordero does not fall, so that he finishes his 4 years.

[Question] For otherwise, Congress would also fall.

[Answer] Exactly.

#### Committees and Their Duties

Economic, Agrarian, Industrial and Commercial Committee; Chairman Andres Vallejo Arcos.

It has passed two bills: one creating a tax for the construction of housing for low-income families and another to ease bond procedures for the financing of construction.

Bills: the Regional Development Law: the bill reforming the CEPE [Ecuadoran State Petroleum Corporation] Law; the bill reforming the Mining Law: the bill for the Enterprise Concordat Law.

According to Deputy Vallejo, economic and physical limitations, along with the lack of cooperation from public entities, have been the main decisive cause of the restricted work done by the committee.

Labor and Social Committee; Chairman Edelberto Bonilla.

It completed the study of the wage proposals presented by Congress and the president. It is completing its study of the Drug Price Freeze Law. Before the committee for study are proposals to create the Farm Fund, the freeze of registrations and benefits for institutions on the coast, reforms in the Labor and Low-Income Housing Cooperatives Code, and the creation of a congressional press room.

Civil and Penal Committee; Chairman Jorge Zavala Baquerizo.

It has passed a bill to reform the Political Constitution envisaging the creation of two new legislative committees: one on taxation and one on codification, an increase in the number of members of the Supreme Election Tribunal by two, along with other things. It is studying the proposal to make Eloy Alfaro (Duran) parish into a canton. It is about to study proposed reforms in the Civil and Penal codes and in the rent and municipal system laws.

The committee believes that the main obstacle to the completion of its work has been the extension of the special congresses.

Tax, Banking and Budget-Committee; Chairman Wilfrido Lucero.

From the time of its composition in January, it has been studying the government budget for 1985, formulated by the Executive Branch.

Deputy Lucero says: "I have announced to the committee that once the budget has been passed, we shall begin the study of some 700 budgets of entities in the public sector. We are working on various bills to increase income received by universities, cantonal councils and provincial councils in the country."

The lawmaker added that the committee is making a great effort to meet the task entrusted to it, inasmuch as the matter is one of top national importance. aside from any other considerations.

11,464  
CSO: 3348/653

7 June 1985

EL SALVADOR

## VILLALOBOS ON FMLN PROGRESS IN CONFLICT

PA070403 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT  
3 May 85

[Message by Commander Joaquin Villalobos, member of the FMLN General Command, to Rafael Arce Zablah Brigade [BRAZ] forces on the occasion of the swearing in of new combat units on 2 May at a site "somewhere in the Francisco Sanchez northeastern front"--recorded]

[Text] Companeros, leaders, and combatants of the Commander Rafael Arce Zablah Brigade:

Next month, we will mark the third anniversary of the victory in Morazan, the most important military victory registered to date in the history of our war, namely the glorious and heroic (Battle of Moscarron), which was a very important part of what we knew as the Commander Gonzalo campaign.

The (Battle of Moscarron) was the product of an arduous process in learning the revolutionary military art. It was our coming of age as a popular army. It was a clear indication of the beginning of our victory. From then on, a chain of continuous victories followed. During a 2-year span, Yankee ideology followed by high command puppets was shredded into pieces.

We swept away hundreds of positions established to try to contain us and lengthy and large-scale operations were thwarted. Our victories were so overwhelming that the Yankees were forced to relieve their Army High Command and most importantly, our victories brought about an escalation of U.S. imperialist intervention in the economic, military, and political fields, to the point that they constituted a direct U.S. aggression against our people.

As for the military aspect, our forces crushed the puppet army, inflicted more than 18,000 casualties on them, reduced them to (?despicable) prisoners, seized more than 5,000 weapons, and destroyed 40 aircraft.

If we take into consideration that the army had only 12,000 troops and approximately 30 aircraft, we could conclude that we destroyed their infantry forces and their entire air force in 2 years. The deputy defense minister and dozens of officers were taken prisoner. [Words indistinct] would have sufficed to fly FMLN flags in capital city barracks.

On many occasions, the puppets themselves have had to acknowledge that had it not been for Yankee help, the army would have been defeated and the war economy would have gone bankrupt.

This is how our homeland began to experience an accelerated intervention process at all (?levels) to the extent that the current conflict has turned into a confrontation between imperialism and our forces.

As for the economic aspect, the Yankees are the ones who placed Christian Democracy and Duarte as the key pawn who is servile to their interests and ensures the implementation of interventionist plans and a deepening of the war, through successive electoral charades.

Our people are witnesses to the greatest process by which our homeland is being sold out to foreign interests in order to save an unjust system. Duarte and Christian Democracy have thus become the sellout dictatorship of our homeland that has offended national dignity more than anything. Duarte has become the greatest Yankee puppet, much greater than the previous dictatorships were.

On the economic level, the Yankees are maintaining an economy that is bankrupt. We are observing an accumulation of a debt and if not for our prospects of victory, we would be condemning future generations to pay until eternity for the bombs and bullets with which the largest genocide in our history has been consummated.

More than \$2 billion have arrived in our country. This money, which has not been given as a gift, has been planned to serve three objectives. The first is to save the oligarchs from economic bankruptcy. The oligarchs have been given dollar after dollar so they continue being rich. Another objective is to support the army's plans with civil-military actions of a counterinsurgency nature. These actions include the creation of the civil defense, information networks for repressive purposes, plans to empty entire towns and to move the population to other places, and the distribution of food, which is an effort to make the people forget that for each pound of corn they get, they are pounded with thousands of bullets and explosives in their villages.

The third objective is to maintain the army in a condition to wage war. The army has now been quadrupled in size and is being directed, at the strategic and tactical level, by the Yankees, directly.

On the economic level, the intervention process is so extensive that the debt acquired by the puppet Duarte is much greater than the income the nation could earn in several years by selling its export products at the best possible prices. This means that the Salvadoran economy is completely deformed, completely dependent, and aimed at one single goal: to defeat the FMLN.

This is why we will not permit an improvement of the economy. We are going to continue tearing it to pieces. We will do it every single day and hour

that the Yankees remain in our fatherland with their dollars, bombs, and men.

In the military aspect, the intervention is such that the Yankees have taken complete control of the army through their more than 200 advisers who remain in our fatherland. The Yankees control the entire military apparatus at both the strategic and tactical levels. They also train new troops.

There are eight U.S. colonels who direct the staff. They are the direct chiefs of Vides, Blandon, and the rest of the High Command. There is an average of six or eight advisers in each brigade and each barrack. In some cases there are up to 15 advisers in one single barrack.

In the most important operations, there is always a Yankee officer heading it. This was the case of the "Torola-4" operation under Colonel James Steele, and more recently, the case of the "Roblar-1" operation, in Guazapa, under Major (Queen).

This situation is moving the Yankees increasingly closer to our rifles. If this continues, we are prepared to open fire to happily fulfill our duties as patriots. Taken into consideration that brigade barrack staffs, and also the joint staff of the enemy, is usually composed of no more than five or six officers, we can conclude that Yankees meddling in the war is so direct that it represents almost 70 percent of the tactical and strategic direction of the army.

In Honduras, only a few kilometers from our border and our fronts, there are more than 5,000 U.S. Marines with dozens of tanks and helicopters at the Palmerola Base. Battalions of engineers are building air bases for an intervention in El Salvador, Yankee airplane carriers and destroyers are posted on our coastal waters and can be seen by our fighters, the Yankee troops carry out maneuvers at sites that are only a few hours away, by foot, from our fronts' territories, U.S. search planes fly over our front's areas daily. We have just seen one.

In summary, the Yankee war structure is aimed at maintaining and increasing the intervention in our country.

The Yankees are using Honduras and their bases in Panama to quadruple the Salvadoran troops. The Yankees have tripled the number of aircraft in El Salvador and have trained the personnel for the aircraft that the dictatorship uses, especially, to kill civilians. The Yankees are the ones who give supplies to an army that, according to what Duarte himself has said, spends 150,000 cartridges daily.

We are definitely facing a Yankee army detachment composed of Salvadoran soldiers. This is no longer a war against the army of the dictatorship. This is a war against the U.S. intervention in our fatherland and against the U.S. Army.

If we compare the Vietnam war with the intervention process in our father-land--taking into consideration that the Vietnam conflict was of a large military scale, that the forces in conflict involved more than 2 million persons, that the war zone was 25 times larger than ours, that the population there is 11 times larger than that of our country, and that the Yankees had to place more than 500,000 soldiers and more than 10,000 aircraft in Vietnam--we must conclude that this moment we are going through in our country, where the army has only 40,000 men, is equivalent to the time when there were tens of thousands of Yankee soldiers in Vietnam.

Recently the U.S. secretary of state, referring to Central America, said that the situation is looking more and more like that of Vietnam.

It is undeniable that we are enduring a direct intervention, and our strategic and tactical guidelines must be directed at defeating that intervention, and this means defeating imperialism until it is expelled from our father-land. Two years ago, when we swore in and consolidated the forces of our brigade and pledged to follow up the victory at Moscarron, we said that if our plans were successful there were two options: victory or the struggle against Yankee intervention until we were successful. We were successful. We completed our missions. Our liberation war is now entering a new phase. History has honored us greatly by making our national liberation struggle a process in which not only our interests, but the fundamental interests of the Latin American peoples, are at stake. We will carry out the honorable duty of defeating the Yankees. The U.S. Army was forced out of Vietnam because its forces, comprised of several million soldiers, lost their morale after losing more than 50,000 men. That is why they had to withdraw in defeat. El Salvador has already lost 50,000 men, endured massive bombings, and amassed proportionately more refugees than Vietnam, encompassing one-fifth of the population. However, they have not been able to defeat us. Our people are conducting the struggle with greater determination at all levels. Our people have everything it takes to win. We are accustomed to sacrifice and efforts. Our race has been unconquerable. Beneath the humble and simple facade of our peasants and workers is an iron will and a tradition of struggle that is among the strongest of Latin America.

Approximately 1 year ago our brigade, aware that it had successfully completed one phase of the war and that the way to continue winning and advancing was to face intervention, proceeded to prepare itself politically, ideologically, and militarily to wage a war of erosion to defeat each and every Yankee idea until we win. Nine months after setting our plans into motion, we have obtained and continue to obtain results that are overwhelmingly in our favor. The enemy has changed its method of maintaining hundreds of stationary positions that ran the risk of being annihilated by our forces. Defensive requirements prompted them to eliminate those positions, replacing them with a mass of mobile forces that are engaged in constant patrols and operations. With this method they hoped to weaken us and--as the genocide perpetrator, the late Monterrosa, repeatedly said--to corner us into a final battle in Morazan. With this plan before us, we decided to expand the war to all El Salvador, including the capital and major cities. We are already fighting in the cities, right in front of the

nose of the High Command. We will never let them sleep in peace. We decided to make each operation and patrol certain bloodshed for the puppet troops. As a result, in 9 months and with only the forces of our brigade, we have inflicted more than 250 casualties per month on the puppet troops, most of which have been inflicted during their patrols and operations. This means that we are putting out of combat one Cazadores Battalion per month by using nonstop erosion methods and all-combat styles.

We have made our enemy's top forces our main target. We have not been especially concerned with recovering weapons during this time. We know that the Yankees can give the puppet troops 100 rifles for every 1 we seize from them. What the Yankees cannot do is replace the soldiers and officers who are killed in action or maintain the morale of an army that is being depleted day by day and that must replace its casualties by forcibly recruiting young peasants and workers who reject the army. That is why our primary task is to annihilate troops every day, around the clock. For this we must use all the tactical, regular, and irregular resources within our reach. Each enemy casualty is a victory.

The enemy made a strategic effort during the "Torola-4" operation. During that operation we obtained a victory which, in terms of our war of attrition, was equal in importance to the Battle of Moscarron, which consolidated our rebel armed forces. We crushed the largest operation the enemy has conducted in Morazan, using ingenuity and creativity to inflict more than 250 casualties on the puppet troops, who went berserk despite having been repeatedly relieved. Like the Battle of Moscarron, during which we captured the deputy minister of defense, the defeat of "Torola-4" is the biggest blow we have dealt to the army, because during it we annihilated the army's most important command group. Our operation was so successful that the Yankees are still trying to figure out what happened. However, finding the answer is their problem. [Words indistinct] if they can. We will continue to advance.

New popular weapons are joining [words indistinct] 200 rebel mines of various types have been effective, causing hundreds of casualties on the puppet troops. Soon our forces will begin to use new and more deadly types of mines and popular weapons systems. This will augment the enemy's casualties and terror. We will carry through the slogan: "To make each road a river of enemy blood, each stone a mine, and each helicopter a coffin." The calloused and hardworking hands of our peasants and workers, which for years were exploited to make oligarchs richer, are now busy manufacturing with ingenuity powerful weapons to be used in the people's war. More than 50 percent of the casualties inflicted on the puppet troops during the past few months were produced by our mines and popular weapons systems. It is no surprise nor by chance that more than one-half of Vietnam's Yankee casualties were produced by similar weapons. There are hundreds of combat situations in which the puppet troops never even see our forces and fighters. The only testimonies of their clashes with us are their wounded and dead. No army in the world can resist this tactic, which we will augment and will be constant.

We decided that in a war of attrition it was important to wear out the army without wearing out our forces and resources. After 9 months the results are overwhelmingly in our favor. We have reduced our casualties to such an extent that many of our medical teams are now involved in political tasks. The goal of maintaining a rate of casualties of 1 to 25 has been surpassed. Our logistical expenses have also been significantly reduced, enabling us to stockpile strategic reserves for more important situations or long-term warfare.

In overall terms casualty rates are comparable to those of other years. However, these have been suffered using less than one-tenth of the logistical resources we used before and with many fewer casualties on our side. We must be pleased with these results. To this we must add that in the past 9 months of combat, from June of last year to April of this year, the FMLN forces in general have inflicted more than 3,500 casualties on the puppet army. Also for every enemy casualty there are between three and four defections. In very conflictive areas there are more, sometimes up to 10. This is the sorry state the enemy army is in. The army is obliged to recruit at least 20 soldiers to keep at least 3 in its ranks for 6 months or 1 year. Casualties are not the only reason soldiers defect. Officers mete out beastly and inhuman treatment to young recruits at the garrisons, and peasants do not identify with the interests the Armed Forces is defending.

We decided to obstruct the recovery of the agonizing oligarchic economy and prevent Yankee dollars from revitalizing the unjust economic structure that has exploited and cost the lives of thousands of workers and peasants for decades. That economy is fully geared now toward our destruction and defeat. All of the dictatorship's economic plans are crippled. Not only do they not advance, but our war to destabilize the economy has achieved such proportions that they themselves admit that even without a war it would take them 10 years to recover.

We make the dictatorship spend \$5 for every Yankee dollar it gets. In addition, according to U.S. analysts, the Yankees are investing \$50,000 per rebel in counterinsurgency military plans aimed at defeating us. Our acts of sabotage against what is one of our most important targets to destabilize the war economy, namely the electrical energy network, have tripled compared to recent years. Our units are ready to inflict sharper blows on the vital centers which are greatly dependent on electrical energy, including the capital and cities in central and western El Salvador. The power network has been virtually destroyed in broad parts of the country's east.

Plans to destabilize exports through sabotage of coffee and cotton crops have reduced coffee production significantly. From 1979 to 1984 coffee production fell from 4.3 million quintals to 2.7 million. This figure is under the export quota. Cotton has suffered even more. In 1978 El Salvador produced 340,000 bales of cotton. In 1984 between 100,000 and 120,000 bales were produced, less than 50 percent of the earlier figure. The government has thus lost a substantial amount of foreign exchange with which to finance the army. The impact of our destabilization measures against coffee and cotton will be greater this year. They will affect more directly the west and other areas of central El Salvador.

The country's railroad system is also in trouble as a result of the destruction of most of its locomotives. We have not completely destroyed it because we have not made that big an effort.

The blows to the product distribution system through destabilization of transportation causes serious losses to the war economy. There are important highways in our war areas, including the Coastal and Pan-American Highways. The traffic stoppages staged over the past 9 months entailed losses estimated at \$100 million. To this we must add the other, more direct blows staged against the production infrastructure, including those against more than six coffee processing plants, thousands of bales of cotton destroyed in trucks and warehouses, construction equipment, the Sosa Cement Factory, energy substations, and acts of sabotage on the telecommunications network.

The war economy's sphere of operation is being increasingly restricted to the urban centers because the war in the countryside has expanded. The Yankees' economic aid is spent on bureaucracy, on maintaining the ever-increasing corruption of the Christian Democratic officials, and on dollars handed out to the oligarchs, who in turn send them to their banks in Miami. Finally, that money is shared among the officers of the High Command. That is why, amid the gravest economic crisis our country has ever experienced, there are new restaurants, brothels, nightclubs, and an entire unproductive social sector that is beginning to live off the artificial economy sustained by Yankee aid. In tandem, poverty and hunger are growing in the fields. Workers, government employees, teachers, peasants, cooperative members, and all other popular sectors of society are growing poorer. They have no choice but to fight for their interests. Yankees should not then be surprised to find more and more similarities between El Salvador and Saigon. The Yankee economic aid only helps to make the Christian Democrats, the oligarchs, and the leaders of the puppet army more putrid and corrupt. If necessary we will take destabilization to the point that it will be the Yankees who will have to bring from the United States breakfast, lunch, and dinner for Jose Napoleon Duarte. Our war strategy will render unviable all the political and economic plans devised by the Christian Democratic puppets and Washington's warmongers.

The only economic plan that will be viable in our country is one which will truly give lands to the peasants and ensure a respectable life for laborers, employees, and all workers and in which they will be the fundamental source of political, military, and economic power. We will never compromise on this. We will continue to tear into bits and pieces each Yankee dollar that is invested to impose on us an antipopular, pro-oligarchic, and pro-imperialistic plan. [Words indistinct] to stop it, attempt to use political arguments to counter this action. Each time we see them cry and listen to them complain about our actions we become more convinced that they are shrewd, and we see more clearly that when Blandon, Vides, or other puppet commanders address the topic, they attempt to defend politically what they cannot defend as soldiers. During our attempts to destabilize the elections we were able to observe that there is a duality of functions in eastern El Salvador, where the officers themselves had to set up the electoral farce by acting as electoral boards, voters, and fraud perpetrators in favor of

the Christian Democrats, to ARENA's [Nationalist Republican Alliance] dismay and anger. The enemy has attempted to conceal the real situation of the elections in the east. Of a total of 86 municipal governments that existed in the east, more than 40 will have to be governed from the cities, with their mayors in exile. Our forces have destroyed all traces of political power in broad areas. This obstructs the enemy's plans because local power is the main component of the counterinsurgency plan that the Yankees, through AID, the Agency for International Development, and the PDC [Christian Democratic Party] are planning to set into motion. The PDC wants to become a new PCN [National Conciliation Party] and wants to be the foundation of a new and sinister Nationalist Democratic Organization, ORDEN, like the one that the criminal Medrano founded. The PDC is moving rapidly to replace the fascist theses advanced by Colonel Merina and General Romero. Duarte and the PDC want to be the fathers of a purported democratic process. However, what does reality show us about the governments headed by the PDC? Our country has had more deaths by repression, bombings, and death squads since 1980 than during all the past dictatorships. There are more missing people and political prisoners since the PDC took power than during all the past dictatorships. Massacres like the one at El Mozote and murders like that of Msgr Romero have taken place during Duarte's regime. Air raids and artillery attacks have promoted the immigration of more than 1 million Salvadorans, one-fifth of our population, during Duarte's term. All this and the more than 50,000 dead constitutes the biggest genocide in our history. Duarte's regime has surpassed the legacy of blood of Maximiliano Hernandez Martinez, who in 1932 ordered the massacre of 30,000 peasants. The oligarchy and imperialism are intent on defending the unjust social system that prevails in El Salvador. Duarte and the PDC are the last shot Yankees have to carry through their plans. That is why we insist that each day that the antipopular, pro-imperialistic, and pro-oligarchic plan of the Duarte regime goes unfulfilled is a day of victory for the people and a day of defeat for our enemies. We have stated that the strategy of our popular and anti-imperialistic war is based on integrating all the people in the struggle. To do this we have made each combatant an organizer of the people. We will not rest until all our people's forces have been set into motion to fight with every available means until we bring about the collapse of all of imperialism's plans.

The people's struggle for just benefits for peasants and workers has advanced noticeably during the past few months. On 1 May more than 50,000 workers staged a heroic march through the streets of the capital. This move has no precedent during the past 4 years. It has been the largest mobilization since 22 January 1980. This heroic struggle by the masses is an unequivocal sign that [words indistinct]. The enemy is once again attempting to forge a climate of victory and success using false propaganda. The psychological war--as they call it--has become a fundamental part of their strategy. However, wars are won with both feet firmly on the ground, with infantry forces, the people's support, and concrete victories, not with propagandistic methods. Once again they are claiming that they will beat us and that they have or will have the upper hand.

The Armed Forces are the ones who are wearing out and suffering casualties and massive desertions. Duarte's economic and political plans are not working out and that means they are losing their war. We are too strong to be defeated. The enemy has decided on his strategy with a war of attrition seeking to break up our organization and to destroy our war infrastructure. However, our war and rear guard infrastructure are nature and our people themselves. Nature and people cannot be destroyed.

The enemy's war infrastructure is totally vulnerable and the morale of their men is completely weak. The ideological among them are debating between (?greed) and ambitions. Those who are recruited by force are confused, deceived, and terrorized. Such an army cannot resist a war of attrition. We have everything on our side. We do not have to account for our actions to anyone but our own people who have faith in us, who are also fighting in the streets, and who know that the FMLN is the guarantee for victory. Our enemies--the Yankees, Duarte, and the puppet army--have to move in the complicated political and military framework of intervention, which imposes upon them goals, time limits, and solutions. If all of this fails, they collapse.

All of our strategy has been prepared so they will fail and not achieve anything because that will help our forces and our people. We do not care how long this will take or the number of sacrifices. We, who committed ourselves to this struggle, never did it thinking we were going to fight for just a few days or months, not even just a few years. We did this believing that we were going to fight to the end of our days, to conquer.

In a very special manner, we would like to greet the leaders and fighters of Jucuaran who have been using all of the tactical resources in recent weeks to harass the enemy and have inflicted over 135 casualties on the enemy in 4 weeks, while our forces only suffered 1 casualty during the same period. We greet the leaders and fighters of Cacahuatique Hill who have inflicted nearly 30 casualties, without losing a single man in combat, in less than 10 days. These leaders and fighters have surpassed the goals and plans, and have fulfilled their mission of injuring and wearing out each enemy unit, which are becoming demoralized.

We greet the guerrilla units of political expansion work and popular organization who are quickly covering the plans, developing an entire new contingent of fighters, and promoting the people's struggle for their own interests. This is a vital component of our strategy. There must not be a single place left through which our fighters pass without the people being left organized to fight for their interest. We know that these compañeros and the combat units of our brigade who are exploring new areas of operation have not worried about the distance, their lack of knowledge of the area, or the danger of the enemy's network. They have fulfilled their duties. The fulfillment of the expansion tasks is essential for our goal to make all of our territory a huge sea of guerrillas and organized people that cannot be ruled by anyone other than the people themselves.

In a very special manner, and with the recognition due to our heroes, we greet our companero partisans and fighting brothers who have been captured or reported missing in action in fulfilling their missions. Each fighter is proud of the attitude assumed by those who have honorably defended the people's interests in the most difficult tests for a revolutionary: prison and torture. The behavior of these companeros turns into historic trash the cowardly attitude of those who have been unable to cope with the difficult moments and turned into traitors. Treason is such a dishonorable action that it is disliked even by the enemy.

All of our strategic plans and capabilities, the destabilization, and attrition are already yielding very evident results in our favor and we are merely working at 50 percent of our total capabilities. Time is completely on our side and we will not (?change) any basic component of our plans. It has not been easy to prepare for this, to prepare this strategic plan. This is not a task for weak men. The heroism and devotion of our leaders and fighters who have spared no efforts to fulfill all of their assigned tasks is what has guaranteed that we continue to advance. We can feel proud of the work done thus far because that is where the possibility of victory lies.

We greet the guerrilla units and military expansion forces of our brigade who are in the western central part of our country. Under the most difficult conditions, they are advancing and consolidating their positions. Companeros, there are thousands of fighters closely following each and every one of your advances and victories. Let us greet the heroic urban commando units. We are all aware of the great risks they take because they do not have adequate security--except for their own abilities, the support of the people, and the strict fulfillment of the principles of struggle. Companeros, you are the enemy's biggest headache because you are moving on the same terrain where the puppet commands are trying to rest.

We greet the leaders and fighters of the militia troops, guerrilla units, regular forces, and the special troops of our ambush brigade on the eastern front who have worn out the enemy in recent months by displaying all of the creativity and intelligence our people can have during a people's war. All efforts for political education and military technology have been successful because they are combined with sacrifice, heroism, and a fighting spirit worthy of the most courageous and tenacious people.

The most shameful action to witness is that of a man sold to the enemy. Yet, the dignified and honorable actions of the men who remain loyal to their principles in spite of the hatred and cruelty of the torturers deserve our greatest recognition and provokes great shame among the enemy. [passage indistinct]

The people and the courageous leaders of the people's movement are fighting and winning the streets through their fighting mobilizations. A people with such faith and determination to struggle cannot be defeated. A people such as ours deserves victory. We will not fail them. Eternal glory for our heroes and martyrs who have fallen fulfilling their duties.

Long live the Rafael Arce Zablah Brigade! Long live the unity of all the forces of the people! Long live the FMLN! Revolution or death, we will win!

CSO: 3248/369

EL SALVADOR

ERP ACCUSES CHURCH OF PRO-GOVERNMENT BIAS

PA101614 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT  
10 May. 85

[Communiqué issued by the People's Revolutionary Army, ERP, a member of the FMLN; date and place not given--read by announcer]

[Text] We have recently learned of statements by the Salvadoran church through San Salvador Archbishop Msgr Rivera y Damas and Msgr Gregorio Rosas Chavez. Both prelates of the church have referred to actions that the ERP has carried out in the last few weeks, and they have questioned them on the basis of the call for humanization of the conflict. In the face of this situation, we state the following:

1. We note that in the case of the capture and disappearance of compañeras Commanders Yaneth Samour and Maximina Reyes the Salvadoran church has not demanded that the Duarte government and the Armed Forces High Command admit publicly the capture and respect the two compañeras' condition as prisoners of war.
2. In contrast, the church has raised its voice in defense of civilian officials of the government and troops and officers of the Armed Forces who are directly involved in the war in the military arena and in counter-insurgent political plans. We cite just two examples. They are that of: a) the truck transporting national policemen that was attacked near Venezuela Boulevard; and b) the execution of Colonel Aristides Cienfuegos at the International Sports Club. In both cases the church has lamented and questioned those actions.
3. The church apparently does not differentiate or consider the existence of two opposing policies with regard to the treatment of prisoners of war. One of those policies lacks principles and is based on the methods of repression and terror that have marked the well-known and public record of the government. The other policy is firmly based on principles, making the FMLN's record one of respect for the physical and moral integrity of prisoners of war and a clear desire to search for agreements with the government, which has made possible the release of prisoners who have held leadership positions.

The ERP has faithfully abided by these principles and this policy. We have held as prisoners of war in the country's eastern region Colonel Castillo, former deputy defense minister, and Captain Medina Garay, known for his criminal background, his participation in death squads, and his leadership in bloody massacres and political assassinations. Despite everything, these undesirable individuals who are condemned by the people and our fighters were treated with respect when they were prisoners of war, and they are now free. In this same way we have held more than 1,000 soldiers and officers in the country's eastern region, and we have respected their physical and moral integrity and have released them.

The differences between the policies held by the FMLN and the government with regard to prisoners of war are so evident that it is hard for our people to understand the position adopted by the church with regard to the parties involved in the conflict.

4. In the case of the capture and disappearance of compañeras Commanders Yaneth Samour and Maximina Reyes, the National Guard issued a public communique in which it admitted holding them. Immediately afterward COPREFA [Armed Forces Press Committee] denied the capture. Colonel Onecifero Blandon, chief of the General Staff, promised to investigate the case of the two compañeras and privately, through intermediaries, we have learned that officials of the Duarte government and the Armed Forces, with a play on words, have tacitly admitted the capture of the two compañeras.

Despite this accumulation of evidence, which points to the responsibility of the Duarte government and the Armed Forces in the capture of Yaneth Samour and Maximina Reyes, and even though these were two women who were moving about in the city of San Miguel essentially for health reasons and were captured unarmed and defenseless, we have not heard the Salvadoran church raise its voice.

It must be pointed out that the church is aware of our charges, public demands, and efforts to obtain a private solution of the case. We have not demanded the release of the two compañeras, because we accept our condition as belligerent participants in the conflict.

5. The attitude of the Duarte government and the Armed Forces of maintaining compañeras Commanders Yaneth Samour and Maximina Reyes in the status of missing sets a negative precedent that obstructs the possibility of humanizing the conflict.

The case of the two compañeras makes it impossible for us to maintain a unilateral attitude consistent with the policy of humanization of the conflict that, with regard to prisoners of war, has been the object of agreements in the meetings of dialogue with the government.

6. The nonresolution of the case of compañeras Yaneth Samour and Maximina Reyes leaves us free to undertake actions in response to the conduct that the Duarte government and the Armed Forces High Command have adopted on this case.

7. With its silence the Catholic Church is laying the foundations for a position that is not impartial in the conflict and eliminates its moral authority to make demands about our actions and to make proposals to our forces.

We demand that the church take a stand and express an opinion on the capture and disappearance of our compañeras. We demand that the Duarte government turn over compañeras Yaneth Samour and Maximina Reyes to the courts and that it respect their condition as prisoners of war.

We make Napoleon Duarte, the Christian Democratic Party, and the Armed Forces responsible for the fate of compañeras Yaneth Samour and Maximina Reyes.

Revolution or death, we will win!

[Signed] General Command of the ERP, a member of the FMLN

CSO: 3248/369

GUYANA

JAGAN IN MAY DAY SPEECH OFFERS PROPOSALS FOR GOVERNMENT

Bridgetown WEEKEND NATION in English 3-4 May 85 p 11

[Text]

GEORGETOWN, Guyana — Guyanese opposition leader, Dr. Cheddi Jagan, has urged the government to ease restrictions on imports, reduce spending on the army and repeal an act opponents describe as anti-trade union.

Dr. Jagan made the suggestions on Wednesday during a May Day rally held in Georgetown, after organisers of rival meetings had picked a different route to avoid clashes between marchers.

The rally Dr. Jagan attended was held by seven affiliates of the Trades Union Congress (TUC), including the Guyana Agricultural and General Workers' Union, of which he is honorary president.

Pro-government TUC unions held a rival rally in Georgetown, at which President Forbes

Burnham talked about the country's economic problems and successes.

Dr. Jagan said Guyanese "want more food, drugs, wheat flour, milk, and essential items and an end to the millions of dollars being spent on the army". The government has clamped restrictions on imports to save scarce foreign exchange and to encourage Guyanese to produce more of what they need.

Addressing the same rally was TUC president, Mr. George Daniels, who said that union "will stand by its commitment to obtain for the workers a wage that is just and fair, and also to protect that wage against the inflationary spiral led by the present economic policies of the government". (CANA)

CSO: 3298/687

GUYANA

## JAGAN PROVIDES ANALYSIS OF TUC GAINS AGAINST PNC

Port-of-Spain SUNDAY EXPRESS in English 12 May 85 pp 14-15

[Article by Kathy Ann Waterman]

[Text]

**FOR PEOPLE** like Cheddi Jagan, tomorrow always must seem such a long way off.

Jagan has had 21 years of tomorrow since he was unseated as Premier in 1964 and since Linden Forbes Burnham put his hand to the throat of the Guyanese people and, little by little, tightened his grip.

It was little consolation for Jagan, back in '64, that he won the largest single number of seats. The proportional representation system, which Britain enforced, had things nicely wrapped up. Burnham's party and Peter d'Aguiar's United Force — which was eventually squeezed out — formed the Government.

And as Burnham stretched out his hand over Guyana, Jagan's chances of regaining control dried up.

Still, as often as he's asked, Jagan predictably answers, "No," he never feels like throwing in the towel. "There's always hope," is almost a slogan now; he says it so often.

"I'm a serious politician," Jagan would say. "I grew up among sugar workers. You don't forget."

On his last trip to Trinidad, last week — when he gave evidence before the Lord Chitnis human rights mission now investigating Guyana's electoral system — Jagan was doing better than just hoping.

The PNC had been dealt a blow, he announced. One of the oldest allies of Burnham's government, the Trade Union Congress, had broken camp and joined up with Jagan's People Progressive Party (PPP). The tomorrow, when the People's National Congress (PNC) would be "contained" was getting brighter.

The basis of Jagan's fresh hope lies in veteran trade unionist George Daniels. Daniels is the

new president of the TUC which, since 1955, had been a buttress of the PNC. Daniels' election is like a poisonous snake in the path of the PNC, as Daniels is also president of the Public Service Union, and so, has the support of throngs of people.

The PPP has had mostly the support of the Indian sugar workers and Burnham the black bauxite workers, but with the TUC defection, the two clans are coming together.

Normally, the PPP would not have stood a chance of winning the TUC elections. Seven unions, with 88 delegates, sided with the

PPP while the PNC controlled 17 unions with 125 delegates. But 26 PNC delegates, in secret voting, supported the PPP's seven unions.

Jagan (looking handsomer than any man of 67 has a right to) said with quiet enthusiasm: "The PNC has ruled by three means — the mili-

tary, the TUC and fear." And when one falls, all fall. "With the loss of the TUC, fear will subside and the hold of the military will also be weakened."

The people, Jagan said confidently, have been "in a tunnel for 20 years and now there's light at the end of the tunnel. Dictatorships in Argentina, Bolivia and Uruguay and Patrick John (in Dominica) were removed by the action of the people, through general strike and mass demonstrations."

"The TUC," said Jagan stolidly, "is committed to socialism (not what passes for socialism under the PNC, which is a bureaucratic, parasitic capitalism), to free and fair elections and it is against de-nationalisation." Generally, that which is painful to the PNC.

According to Jagan, the TUC pull is strong enough to unify the people, to bring about a "political solution" to Guyana's miseries. The solution is not to "get rid" of the PNC, he said generously, but "to contain them."

"The TUC can bridge the gap and bring the three parties — the PPP, PNC and the Working People's Alliance, led by Eusi Kwayana — to sit around the table and work out a solution," said Jagan.

There are two tendencies within the PNC, he added, and his goal is to bring out its better nature.

"The majority in the PNC want to maintain corruption; the minority realise the country is going downhill and, without the PPP, nothing can happen. Therefore, with them, and the pressure of the working class, we can force the majority to go along with the progressive tendency of the minority."

"The only other way is civil war," said Jagan, solemnly.

And the Guyanese are a long-remembered people. They've been on the brink of civil war before. They are not about to forget the British invasion of '53 when the U.S., paranoid about communism, nagged Britain into sending troops (including the feared Scottish Black Watch) to Guyana, suspending Guyana's Constitution and putting Burnham in office.

They are not about to forget the politically-sparked racial violence of '60, when blacks and Indians slew each other and when, eventually, Burnham was asked why he didn't put a stop to it, he smugly replied, "He who calls off the dogs, owns the dogs."

They are not about to forget the Walter Rodney disaster of '81, when no one dared be seen speaking with foreign journalists who, incidentally, feared for their lives, and the anniversary of which the PNC once marked by reminding the people, "He who lives by the sword, dies by the sword."

But Jagan said, "Don't underestimate the mood of the people. They may still be apathetic because of the blows they have taken ... workers crawled back in their shell after the Walter Rodney episode ... but if, five years ago, someone had told me the PNC would lose control of the bauxite workers and the TUC, I would not have believed it."

With a huge budget deficit, debt repayments, and no money left to bribe supporters, the PNC needs the support of the working class, Jagan said.

But the working class is warming to other ideas. The working class "will now struggle, not

just for more money," Jagan said, but to "contain the PNC."

In other words, the worm is turning.

Said Jagan: "Bribery created a basis for unity but the Government can afford to bribe only the top now."

Guyana ended 1984 with a budget deficit of \$669 million and debt and compensation payments of \$699 million. While the military budget is stretched, the social services budget is pared down.

"The money is going into an overbloated military apparatus," said Jagan, "and production is almost stagnant." Between 1964 and now, the minimum daily wage went up four times, from \$4 to \$15.10. The TUC has said that it should be \$52 but is calling for \$25."

Hold up those figures against food prices and Jagan's point becomes clearer. *The Mirror*, published by the PPP and *The Chronicle*, published by the PNC, had it out over the food issue last month.

*The Chronicle* published a juicy picture of plantains, pumpkins and other produce being sold at Bourda Market. "Food in abundance," the caption read, merrily. *The Mirror* replied with a list of food prices and the headline, "Food in abundance — but at what price."

Plantains go for 75 cents a pound; limes, two for \$1; pumpkin, \$2 a slice; salt fish, \$7 a pound; fish \$6 to \$10 a pound; beef, \$11 a pound; chicken, \$9.50 a pound, milk, \$1.75 a pint.

For those with strong stomachs, there're other stories. One aspirin, when it can be found, is 25 cents. Doctors who must travel, say, 30 miles on road and another 30 by river to get to pa-

tients, can find neither car nor boat.

Children beg openly in the streets. Teachers have been imported from Sri Lanka to fill the gaps. Parents scrape to raise money to pay school teachers. Textbooks are unavailable and the University of Guyana is thinking of lowering its already meagre entrance requirements of five O'levels.

According to Jagan, things are so bad, that people are forgetting racial differences. He said, "Georgetown and Linden have long been main PNC areas. Up to '71, I couldn't go there. Now, the PPP visits every Saturday. I understand 600 copies of my book, *The West on Trial*, have been sold and people are buying *The Mirror*, loads of pamphlets."

He added, smiling, "Cyril Belgrave, a waterfront worker, is an outspoken critic of the PNC. Burnham's union represents the waterfront workers. Belgrave defeated a Member of Parliament, called Fowler, as president of the waterfront branch of Burnham's union." And as if a little surprised at the thought, Jagan said, "The people have confidence in a PPP man."

Elections in Guyana are due in March '86 and the interim report of the Lord Chitnis mission, any week now. It is unlikely that the findings will be much different from other investigations, such as that by the British Opinion Research Centre, which, in 1973, confirmed that the overseas voting register was dishonest. Its direc-

tor called the elections "a pretty awful and disgraceful episode."

It is also unlikely that enough will happen by March to allow free and fair elections. The Opposition, used to defeat, is looking beyond elections and trying to make Caribbean countries put the screws to the PNC, probably kick Guyana out of Caricom. "A diplomatic response of some sort," Kwayana said.

If the Caribbean countries speak up and if Jagan's assessment is accurate — that the TUC strength, hunger, and pressure from the working class can humble the PNC — there may really be light at the end of the tunnel.

Or, Jagan and everybody else can just go home and wait for tomorrow to come.

CSO: 3298/687

JAMAICA

PNP LEADER SAYS EARLY ELECTION COULD HELP AVERT VIOLENCE

Kingston THE DAILY GLEANER in English 1 May 85 p 3

[Text]

**BRIDGETOWN, Barbados, April 30,  
CANA**

Jamaica's chances of reducing or eliminating political violence in the next general election could depend on an early poll, according to former Jamaica Foreign Minister P. J. Patterson.

"...we feel that the sooner elections are held the greater is the likelihood of a reduction, and hopefully total elimination, of political violence in the campaign," said Patterson, who is chairman of the People's National Party (PNP).

The PNP, which boycotted snap elections in December 1983 on the grounds that they were based on an outdated voters' registration system and did not take into consideration electoral reforms the PNP and the ruling party had agreed on, is pressing for a fresh poll.

The PNP lost power in a 1980 election in which hundreds died violently.

In an interview here with CANA, Patterson said: "we feel that the question of violence is extremely

worrying and we think that two things are necessary to try and reduce the extent of it."

He explained: "the first one is the root cause of victimisation, of discrimination, must be removed. The feeling that certain communities will be starved out if their party is not in power or that other communities will receive undue levels of reward do not go to create a stable environment."

Patterson said the PNP felt that political dialogue between the two main parties could help improve the situation.

Secondly, said Patterson, "the security forces should be allowed and be equipped and motivated to play their role in the maintenance of law and order, without fear, without favour."

He warned Jamaicans against accepting the argument that because there is a danger of political violence "then the remedy is not to have an election campaign".

He said: "...to do so would be to destroy our democracy, and it really means that we had succumbed to the power of the bullets rather than the force of ballots."

CSO: 3298/674

JAMAICA

**PNP EX-PRIME MOVER DUNCAN DISCUSSES CURRENT SITUATION**

Port-of-Spain SUNDAY EXPRESS in English 12 May 85 pp 20, 33, 32

[Article by Franklin McKnight]

[Text]

**THE NAME D.K. Duncan was a household one in Jamaica back in 1970s and the People's National party (PNP) term in office, under Prime Minister Michael Manley.**

D.K. was the name whispered in admiration by PNP members as being the architect of the PNP's stunning victory in 1976. He was one of the main idealogues credited with some of the PNP programmes. On the other hand, his name was linked to a band of leftists seeking to carry the party further to the left in the late '70s before the PNP suffered a heavy defeat at the hands of the Jamaica Labour Party (JLP), led by Prime Minister Edward Seaga.

But the name has dropped away from the PNP's news releases and its statements. The young, bespectacled, bearded face of D.K. Duncan is not seen at the PNP's press conferences and mass meetings. And the question is being asked, what is happening to D.K.? He has immersed himself in his dental practice, but has not given up all his political work. He and a group of what he calls "political activists, most, not all, of whom are serious activists within the party" have been conducting a study of the work of the PNP during the '70s.

The study, to be published in August, concludes that the PNP was "never on track" in transforming the society. He and others are to work to "transform the PNP from inside" and get it on track. Last week he spoke with the Jamaica Daily Gleaner about his philosophy, changes in the PNP, the party he served as general secretary and Minister of Mobilisation.

He said that he still had political ambitions to participate in any kind of political process that could fundamentally change the nature of the Jamaican society, but not in the traditional way. "The two-party Westminster democracy has run its course. The time has come for a change from that system," he says.

But 'D.K.' has not severed links with the PNP; he is still a member of the National Executive Council (NEC), the highest body of

the party, whose authority is only superseded by the party conference. He retains that position because the party took a decision on "principle" that those members who were MPs at the time of the 1983 general elections (which was boycotted) should continue to serve on the NEC.

**Question: We don't see you in the forefront of the PNP's activities anymore ...**

D.K.: You will notice that I am not a constituency representative. In East Central St Andrew (where he was MP up to the 1983 elections) I could have remained as the party's (constituency) representative. There was no challenge. No pressure ... no overt pressure for me not to continue to represent the people. I would have continued through the normal term (1980-85) but with the new situation with the snap elections in 1983 I felt it appropriate not to continue.

**Q: There was a view in the 70s that you were one of the leaders of a left wing element of the PNP, trying to take the party towards the left. Now that you and others said to be of the left, certainly people like Hugh Small and Anthony Spaulding, are no more in the mainstream or are out of the party, do you believe the party is now more united, more forceful?**

D.K.: Yeah I think its more united, but definitely not more forceful. It has returned to what it was originally, a party of reform and not a party that transforms and therefore it is more comfortable. You are much more comfortable when you are not challenging the status quo. It is returning to almost a mirror image of the JLP, a distorted image, yes, but back to the 1960s. A social democratic party capable of mild reforms which definitely cannot meet the aspirations of the people.

He said the '70s were replete with challenges to the status quo with issues such as democratisation and attacks on the class relationships.

Q: You are saying the party is going backways?

D.K: It is returning to what it really was — a social democratic party, capable of minor reforms.

Q: Even though you don't agree with the present stance and approaches of the PNP, I would suppose you are more interested in seeing the PNP under Michael Manley come to power than the JLP retaining it. I take that as given. As a reasonable assumption to hold, how do you think the PNP will come to power. And how soon?

D.K: Let's separate it in two. The first is a wrong assumption. That you should want to take it for granted. It is not a cut and dried answer. Clearly if the Prime Minister, Mr Seaga, were to live up to the expectations of the PNP as to what a number of us (in the party) said he was — one capable of serious repression — then it would be the duty of everybody to unite to remove him.

The JLP's point is that he is really now a champion of democracy. And some say that may be a pretext which leads to repression. That may be true, but my view is that in the last four years the kind of tendencies we spoke about (that Seaga had) haven't really surfaced as dramatically (as we thought) ... he hasn't really come of age so to speak.

I am not really denying the possibilities for that. His economic policies could lead him to repression. What I am saying is that I wouldn't necessarily jump to the conclusion that it goes without saying that you want to see a change necessarily. I would say I want to see a change for some political formation whether it is the PNP or something else which can speak to the real problems of the Jamaican people.

"My view on the PNP's policy from about 1978 to 1980 was the same as that now being pursued by the JLP, only that the PNP agonised over everything to do with an IMF decision while Mr Seaga does not agonise. "There is difference in the agony, not in the actual policy," he said.

Q: What would you describe yourself now as? Marxist-Leninist, socialist, communist or what?

D.K: The term I have used to describe myself since about 1981 is a revolutionary democrat.

Q: What is that?

D.K: It really means that ... somebody who is committed to a democratic framework but sees the need for a revolutionary change, as distinct from a social democrat who may still feel the need for change, is committed to democracy but attempts to (bring change) through mild reforms.

Q: Would you consider yourself nearer to the Workers Party of Jamaica (WPJ) than to the PNP given what you know about the PNP?

D.K: If the PNP is to go by the "Principles and Objectives", the party's basic document, what Mr Manley refers to as the book — that document is still adequate for Jamaica. I don't think you can go further than that for quite a

number of years. The problem of the PNP is, that (document) is theory, and the practice don't match it. I preface my answer by saying that.

The question of being closer to one or the other is not as easy as that. If you examine the WPJ programme and policies in one of their books they put out some years ago, what they propose is not very different from the PNP's

"Principles and Objectives". The PNP is doing different things (than are set out in the book). Whereas the WPJ is not in a position of getting power in the near future, the PNP is in a position of forming the next government.

My problem with them is I don't think the PNP has done any preparation at all not to have to follow Mr Seaga's policies as dictated by the IMF. They have wasted a number of years. The principles and objectives are sound, the draft programme presented to the conference last year is in parts sound but highly contradictory.

Parts of it are social democratic going back to earlier times of being all things to all men. Trying to please every single class. That's an impossibility. I am not dodging the question of the WPJ and all that. In the Jamaican political situation on the face of it, it would be nearer to the WPJ. On the face of it!

Dr Duncan said the PNP has failed to excite the electorate which is facing serious hardships. It has failed to mobilise people against the Government's policies and to get them aroused about its "election now" call because the party has presented no programme and has none which is radically different from that of the JLP, Dr Duncan said. He said that the PNP's argument that it would not present its policies and programmes to the public until an election was called was unworthy of the party and the people had been educated to a political sophistication, by the PNP in the 70s, that they would not accept that position.

He went on: "In terms of the local government and the whole campaign for elections now ... the response has been more traditional (with references to a threat to democracy). However, there are one or two areas which I find disappointing. One would be the inability which is clear to the country, of the party to link its "election now" call to the concrete reality of the Jamaican economic and social situation. I think that's one of the reasons why the "elections now" call isn't really getting any dramatic support.

Q: You mean they should be linking it to unemployment, price increases?

D.K: Yes, basically the country, since 1962, has come through enough to understand that in post-Independence, as an independent society, you are about to get in charge of your own country. There are responsibilities. They have had two terms of the JLP and the PNP and a repeat of the JLP since 1980 hasn't turned the way certainly the majority of the people expected. And, quite correctly, I think, the majority of the people are looking for something more meaningful than just a tribal election call.

"They are seeking genuine alternatives or approaches. And I don't think that is getting across to the people ... so the election thing alone surely just doesn't click. So the excuses of not having a social and economic plan and that you are not going to give it out until an election is called ... the Jamaican electorate is past that stage and the PNP has contributed to their passing that stage. They expect more.

The local government issue, he said, was the other issue of disappointment. The party was very strong on democratisation and new forms of democracy. He mentioned community councils and "all these things which were mostly spoken about." If the PNP were preparing itself it would have counter proposals and be ready to "jump in when the Prime Minister intervened" in the local government issue by proposing to cut the seats to between 120 and 150.

He went on: "(The PNP should be ready with its proposals) rather than just falling back on the retention of a system which does not really excite the Jamaican people. I would say clearly the local government system is in need of drastic change. I thought that was one of the views the PNP had in the 1970s ... To get to genuine participatory democracy. Not just one-shot like the Prime Minister is trying to do. And so they should look on it as an opportunity to show how economic dictates of the dependent capitalist model Seaga is pursing leads him to this and to then show alternatives

... "But what the PNP is saying is that this thing is sacred. No change. But what they (the PNP) should be saying is that the reason we are holding on to this is the principle of it. For beating you (the JLP). The people are not fools. They know that the PNP is holding onto it to win and forcing the JLP into an early election. They know that. So to continue just to call that Jamaican democracy is in danger, which it could be, and I am not quarrelling on that aspect of it. But in danger for who? How do you link that danger with some form of progress for the majority of the people?

"I think what is missing all the while is that link between the electoral thing and the social and economic conditions of the people. What is going through the minds of people is what is different (between the JLP and the PNP).

**Q: We then discussed what the PNP was doing.**

D.K: By March 1980, the PNP had lost the elections ... the 1980 election was fought on the basis of the rejection of the IMF. To my certain knowledge and my knowledge of Michael Manley's knowledge ... we fought the 1980 elections on the basis that we would lose but that what the PNP was doing would survive because Seaga would follow the IMF and it would be no portion of time before he (the Government) would collapse.

The strategy then was to formulate a plan with which the broad masses of the people would identify and which they would support having seen the hardships which the Seaga policies would bring.

(According to Dr Duncan this stage of the strategy would be in place by 1983-84 and the PNP would be able to win any elections then because of the suffering of the people. The PNP would be ready to govern and to transform the society. But, says the former party general secretary, things did not go that way.)

D.K: After the loss of the election the party returned to its old vacillatory self. Unsure of itself. The party leadership returned to areas of doubt. The October '80 to '82 period when I was still general secretary and we had a secretariat which was leftist, we worked long and hard direction and were clear about where we were going ... By '82 some of the elements in the party put pressure on the leadership and Michael Manley just lost his nerves. And so by '83 he ended up in the position where he had to stand only on the grounds of solemn agreement.

**Q: And how could that happen to a party which was carrying out a strong political education campaign.**

D.K: The people did not get cold feet at all. Not the grass roots delegates ... The leadership, particularly Michael Manley, got cold feet because of the nature of the party. It's not his fault ... But it's one of the things which some of us are looking at, trying to really answer that question-ourselves.

"We have a little research group (asking the question), 'Was the PNP derailed?' and we are looking for answers to that. On the understanding that if it was really derailed then clearly it would be the duty to re-rail it. The conclusion we came to after months of objective analysis was that it (the PNP) was never on track. The make-up of its leadership (through its history) make it virtually impossible to carry through any transformation. We are hoping by August to be able to put out our findings.

(Dr Duncan said he supported the decision not to contest the 1983 elections to give the PNP a second opportunity to transform itself to the type of organisation which would be very different from the JLP. If the party had contested it would have returned to Parliament with an increased number of seats and it was even possible that it could win. But he said Mr Seaga would have got an increased time to try and make his policy work and he would have "a pliable, malleable opposition," which is what Mr Seaga wanted.)

D.K: From the position of PJ Patterson and Michael Manley they would say that 1984 was cool (in terms of PNP's actions). I would say that it was a further year of lost opportunity. Consistent pressure should have been put on the Seaga Government and by now it would be falling on its own feet.

(He said that the PNP spokesmen and JLP MPs are saying substantially the same thing only that the approaches would be slightly different.)

D.K: And that is the basis on which he (Seaga) is going to run his campaign. "What is it you can do different from what I am doing?" and the fact is he can run capitalism better than anybody else in this country at the moment. It comes back to your question, who therefore should win the next elections. If you are going to develop capitalism, leave it

to the man who can do it best. It's an over simplification. But it's the kind of thing in the heads of people out there. What is it that is different.

**Q: If you have the Jamaican people at heart and your party leadership losing its way being a mirror of the JLP, how can you stand back and not be trying to influence its direction?**

D.K: That's answered from the point I made about derailing. Was it (the PNP) derailed? Having come to the conclusion that it was not derailed, that it was reformist ...

**Q: Even during your time, your involvement**

... D.K: Yes, yes. During that time, the PNP stretched reformist policies, the liberal democratic system, to its limit. But when it comes to the part of fundamental change or rupture ... You have to have dislocation. And this society will have to go through dislocation.

Now Mr Seaga is having this structural adjustment, which is a dislocation but not the dislocation which in the long run can benefit the masses of the people. We generally are looking at the possibility of transforming the PNP from inside and we have come to the conclusion that ... reforms are necessary but we have to go one step beyond the step of reform and the nature of the PNP does not allow for transformation.

You can't start from the basis that what is (or what exists) must continue to be. But rather you must say what is in the best interest of the people and go in the direction in which that leads you. Then if certain institutions, certain systems, have to go, they have to go.

**Q: So you have not abandoned the PNP?**

D.K: No. Not in terms of the PNP having a role in the society. But not in transforming the society.

**Q: I would almost say from what you have said that you prefer Seaga to Manley.**

D.K: No. If you were to ask me that question, I would say that Seaga is much better at handling capitalism than Manley; what I would hope is that Michael Manley would be better at transformation. Suppose all of us in the country agree that, boy, we should really develop capitalism. You, answer me now, who would you choose?

CSO: 3298/674

JAMAICA

HART DISCUSSES TOURIST INDUSTRY; PROTESTS COULD WRECK IT

Address to Senate

Kingston THE DAILY GLEANER in English 27 Apr 85 pp 1, 3

[Text]

Tourist consumer resistance abroad to Jamaica has doubled since last January's gas price demonstrations, and the tourism industry could not survive anymore demonstrations, or even the talk of it, the Minister of Mining, Energy and Tourism, the Hon. Hugh Hart told the Senate yesterday.

Senator Hart was speaking in the debate on the controversial Bill amending the Tourist Board Act which was finally passed by the Senate.

The amendment makes provisions for the licensing of persons who operate tourist accommodations, other than hotels and resort cottages which are already licensed, as well as various categories of persons employed in tourism enterprises or who provide certain services for tourists.

It also empowers the Jamaica Tourist Board to revoke or suspend licences where the licensee contravenes the provisions of the Act or the licence or any provisions of the Exchange Control Act, or any order made or directions given under the Act in relation to the operation of tourist services.

The Bill was opposed by the Jamaica Hotel and Tourist Association and debate on several amendments which were brought to Parlia-

ment after discussions with the Association was delayed two weeks ago in the Senate when Opposition Members demanded more time to study the amendments.

Senator Hart in closing the debate on the Bill yesterday, said:

"There have been signs of possible mini-demonstrations in certain parts of the island. I say without fear of contradiction that this industry cannot sustain anymore any more activities, any more suggestions of that happening. If there are further demonstrations, or even

talk of demonstrations, this industry will be doomed.

"We have taken surveys from abroad by experts and, not surprisingly, I have to say that those surveys have shown that consumer resistance in the trade to Jamaica has doubled since the January incidents. This is reflected in the difficulties we are having seeking to get new business.

"What the January incidents did, was to bring back to the minds

of people that Jamaica was not quite as tranquil a place as those incredibly beautiful advertisements say. But, memories are short and we will succeed in recreating that very situation where Jamaica is in the minds of the trade and the consumer — the Caribbean paradise that we know it is.

"I simply warn the nation that if there is any suggestion of a demonstration, by whatever name you want to call it, they will be killing out the major foreign exchange earner and a major employer of people for a very long time to come."

The Senate voted in favour of the Bill with the 17 amendments which were passed by the House of Representatives on April 10, without any further amendment.

## Danger of Further Demonstrations

Kingston THE DAILY GLEANER in English 29 Apr 85 p 1

[Text]

The tourism industry should suffer a decline in visitor arrivals of about 10% this year as Jamaica is still, not a "hot spot" as a destination and if there are any further major disturbances here, the industry could be written off.

The industry, which recorded earnings of US\$435 million in 1983/84 when over 850,000 persons visited the island, will therefore not achieve Government's target of one million visitors this year.

This was the view of a hotel manager and well placed spokesman for the industry at the meeting on Tuesday of the *Gleaner's Brains Trust* of top practitioners and knowledgeable sources in areas of the island's economy.

The spokesman said that the major reason for the expected decline in the number of visitors coming here this year (compared to last year) was the mid-January gas price protest here which, he said, resulted in adverse publicity about Jamaica in the tourism market place and damaged the image of Jamaica. The industry was slowly coming around from that after extensive marketing and promotional tours but it was yet to fully recover from the effect of the demonstrations.

In fact, he said, the summer trade should be hit badly as many tour operators were still not selling Jamaica. "We have still not come back to the stage where Jamaica is in demand," he said.

He said there was first-hand information available to him that several tour operators who sold the bulk of seats out of some US West Coast destinations which contribute significantly to the Summer season were selling about 30% of the tours to Jamaica that they sold last year. At the same time several tourists and travel agents were experiencing a preference for other Caribbean destinations.

"If we have further demonstrations (coming out of the proposed changes in Local Government) we can write off tourism for the next few years," the spokesman said. He said that while the demonstrations in some parishes last week did not have any effect on the industry,

tourism in Jamaica could certainly not afford any widescale demonstrations or disturbance at this time. "This is why we think that everything should be done to cool off...because Jamaica cannot do without Tourism now."

He affirmed the place of tourism in the country saying that it earned US\$435 million last year and about this level of earning was expected this year. This was so even though there would be a decline in the number of visitors. The level of earnings was due to increased cost of rooms and food and beverage.

For every US dollar earned in tourism, about 35 cents US was spent by the industry and this com-

pared to 70 cents US spent for every US dollar earned in manufacturing, he said. He however suggested that the amount spent for each dollar earned in tourism might in fact be greater in US terms as the figures were not very up-to-date and did not include building and depreciation costs.

No new hotels were being built because the industry was only just coming back after bad times in the 1970s, the spokesman said. The industry was still hoping to get casino gambling as an attraction, he said, but no additional information was available from Government about it. The word was, however, he said, that if casino gambling was coming to Jamaica, it would be

established before the start of the winter season in December.

The industry was supporting the local farmers he said and discounted a view that many hotels did not use local beef. He said that many did not rely on local farmers for steak because there was too much variation in the quality of steak provided and the tourists required choice steak, such as they were used to.

Executives of other sectors of the economy commented that the value of the Jamaican dollar would certainly be affected by receipts from tourism and speculated that the reduced volume of business expected in the trade would push the value of the dollar downward later in the year.

CSO: 3298/674

JAMAICA

## NEW ROUND OF PRICE INCREASES DRAWS MP'S CRITICISM

Kingston THE DAILY GLEANER in English 30 Apr 85 pp 1, 3

[Text]

The prices of condensed milk, cooking oil, margerine and cornmeal have been increased. It is the second time in about two weeks that the prices of oil and margarine are being increased.

Effective today, the price of Nestle's brand condensed milk is \$2.30, up from \$2.04, while Betty milk has gone up to \$2.12 from \$1.89.

The one pint bottle of Gourmet cooking oil was increased yesterday to \$4.87, up from \$4.40. The one litre bottle now sells for \$10.40, up from \$9.45, while the half gallon bottle which sold at \$16 a bottle now costs \$18.

Cornmeal has gone up by 22 cents a pound to 82 cents.

The half tub of Chiffon margarine is now \$2.50, up from \$2.30, while the pack of Gold Seal margarine moves from \$2.18 to \$2.35, an increase of 17 cents. The 2-lb. tub. of Dairy Maid margarine which was selling for \$8.20 is now \$9.

The prices of these products went up a little over two weeks ago, on April 9, and a spokesman for Seprod Ltd. attributes this latest round of increases to the increase in the price of soya bean oil and hydrogenated fats which are supplied to Seprod by the Jamaica Commodity Trading

Company Limited. He said cornmeal went up because the price of corn, which is also supplied by the JCTC, was increased.

Just last week there were significant increases in the prices of chicken, rice, animal feed and Milo.

Announcing the milk price increase yesterday, the Mr. R. D. Simons, Managing Director of Food Specialties, the manufacturers, said, "The circumstances resulting in these increases are beyond our control and we wish to assure consumers that the resulting prices are the very lowest which could be implemented at this time."

The main reasons for the increases, he said, were devaluation of the Jamaican dollar, increase in the price of milk solids and butter oil, increase in haulage costs and impact of the 20% additional stamp duty on spare parts.

### ● MP protest

The Member of Parliament for South St. Andrew, Mr. Earl Spencer, yesterday criticised the spate of price increases. Mr. Spencer, who lodged his complaint in person at the Gleaner offices yesterday, said: "It is my intention to ask

Parliament to legislate that there is a limit of two applications to the Ministry of Industry and Commerce through the Prices Commission annually and that only one price increase be made in a calendar year.

"I feel very strongly about the amount of price increases on rice, especially for the poorer people and those earning the minimum wage. Forty-three cents was too much. I feel very upset about the reports I have received that poor children have dropped out of school in my constituency because of the nutri-bun and milk situation. I am asking that the Government reviews the situation and reverses the price (from 20 cents) to 5 cents, so that the children who are now staying at home can again return to school."

On chicken meat he said: "I hear that a further price increase on chicken is being considered because of the poultry-soya bean feed. I hope that there will be no more price increases on this item this year. They can and should never allow that there be three price increases in one year and I am totally against it."

CSO: 3298/674

JAMAICA

## ECONOMIC GROWTH, PRICE HIKES, GOVERNMENT SPENDING REVIEWED

### Analysis of Seaga's Goals

Kingston THE SUNDAY GLEANER in English 28 Apr 85 p 21

[Article by Derick Boyd]

[Text]

In his broadcast to the nation on April 11 Prime Minister, Mr. Edward Seaga informed the nation that the economy was well on its way to achieving "the two basic economic goals" of the government. These goals he said were: (i) cutting the budget deficit to 8.3% of GDP; and (ii) achieving a surplus on the balance of payments. These "astonishing feats", as he calls them were he claimed achieved. But just how real feats are is worthy of a brief examination.

It is worth noting that no mention was made of the rate of growth of the economy, or the rate of growth of prices. These are, of course, primary among government targets, but no figures have yet been published for 1984.

#### Economic decline

It is reasonable to expect that the growth figure will be negative and the inflation rate high in the light of the 50% devaluation of the J\$ over 1984, and the accompanying steep rises in prices. Basic food items such as flour, sugar, rice and bread have all been significantly increased, and continue to show an unflagging upward movement. Electricity, water and telephone rates have increased in the region of 100%.

Of course, the petrol price increase of 21% will be remembered for sparking off two days of roadblocks and disruptions nationwide. Currently, the price of chicken has been increased for the second time in two months and some consumer organisations are urging people to boycott the buying of chicken in an attempt to push the price back down.

#### Fiscal performance

The national income accounts have not been published to date, but some of the Prime Minister's figures may be set in perspective from the monthly statistics published by the Bank of Jamaica (BOJ).

The reported cut in the size and proportion of the budget deficit was achieved in the light of severe reductions in government employment and expenditures. The most recently published BOJ statistics tend to suggest that the Prime Minister has not been quite fair when he compares his 7.2% of GDP deficit with the 17% he inherited for two reasons.

The first is that he appears to compare his net deficit figure of 1984/5 with the gross deficit of 1980/1 (see Table 1). The Bank of Jamaica figures in fact show the 1980/1 gross deficit to be 17% and the 1984/5 gross deficit to be 12.5%. But Mr. Seaga's 1983/4 gross deficit was 23.7%. So the astounding feat is to have reduced it from 23.7% to 12.5% in one year.

Second, Mr. Seaga's government took over with about five months of the 1980/1 fiscal year left to run; and in the succeeding years government expenditure increased as Table 1 shows. It is worth noting that the gross deficit in 1983/4 equalled the peak ratio of 24% reached under Mr. Manley's administration in 1976. The 1984/5 fiscal figures have to be kept in this perspective.

#### Increased taxation

A remarkable feature of the BOJ's statistics is the 58.3% increase in government revenue over 1984/5. Direct and Indirect Tax revenues increased by 38%; non-tax revenues increased by 147%; and transfers from the Capital Development Fund (CDF) increased by a massive 245%.

Table 1  
FISCAL INDICATORS<sup>1</sup>  
(J\$m)

YEARS	REV.	EXP.	Sur/Def	net S/D <sup>2</sup>
1984/5 <sup>3</sup>	2718.1	3905.1	-1186.2	-786.2
	(28.0)	(40.2)	(12.5)	(8.1)
1983/4	1717.5	3396.4	-1678.1	-1333.5
	(24.2)	(47.9)	(23.7)	(18.8)
1982/3	1750.3	2707.4	-957.1	-784.1
	(29.5)	(45.7)	(16.2)	(13.2)
1981/2	1554.6	2471.3	-916.7	-744.4
	(28.3)	(45.0)	(16.7)	(13.6)
1980/1 <sup>4</sup>	1375.2	2391.5	-1016.3	-812.2
	(23.0)	(40.0)	(17.0)	(13.6)

<sup>1</sup> Figures in brackets are ratios with respect to the GDP for the fiscal year.

<sup>2</sup> Net of amortization.

<sup>3</sup> Estimates

<sup>4</sup> GDP ratios are based on the assumption J\$1016.3 = 17.0.

Sources: National Planning Agency, Economic and Social Survey of Jamaica 1980, 1981, 1982 and 1983; Bank of Jamaica, Statistical Digests, July 1980, October 1984.

Table 2 reports the latest balance of payments figures issued by the BOJ. Now, whilst the Prime Minister referred to payment flows over fiscal years, the figures in Table 2 refer to calendar years, but given the considerable overlap of the periods we would expect to see the improvements referred to by Mr. Seaga reflected to some degree in the calendar year figures.

On the whole, however, Table 2 does not indicate meaningful improvements in the balance of payments. At best the results are ambiguous.

#### Not insignificant

Both the trade and current account balances are still quite close to the record deficit levels of 1983. The 184 current account deficit represents 42% of total goods exported. In other words our exports must be increased 42% to be able to pay for our imports. This current account deficit is far from being insignificant, and in US\$ terms is larger than any current account deficit recorded during the Manley years of 1972-80.

The overall balance does show a turn around in 1984, with a surplus and addition to reserves of US\$173.5m. This was achieved through a new record net capital inflow of US\$484.7m. This massive inflow relied primarily on official inflows.

There are, of course, official loans which serve to increase Jamaica's international indebtedness and which will have to be repaid. Although desirable they do have considerable costs attached to them especially as they are not used to improve the foreign exchange earnings potential of the country.

It is also worth noting that an overall balance of payments surplus of US\$300 million for fiscal 84/85 promised by Mr. Seaga for the end of April is a long way from the calendar year figure of US\$173.5 million.

A noteworthy feature of the capital flows is the reversal of the considerable private outflows which took place over 1983 (see Table 2). But this cannot be regarded as heralding the start of significant private foreign inflows because this figure also contains the net errors and omissions item. Furthermore, massive private inflows do not accord with the current climate of decline which has beset Jamaica due to the widespread production cutbacks and redundancies experienced over the last two years.

Table 2  
JAMAICA: BALANCE OF PAYMENTS  
(US\$m)

	1983	1984
<b>BALANCE OF TRADE</b>		
(MERCHANDISE)	-595.4	-442.9
Exports (fob)	685.7	738.7
Imports (cif)	1,281.1	1,181.6
<b>CURRENT ACCOUNT</b>		
<b>BALANCE</b>	-375.4	-311.2
<b>NET CAPITAL</b>		
<b>MOVEMENTS</b>	80.8	484.7
Official	321.0	357.6
Private	-240.2	127.1 <sup>3</sup>
<b>OVERALL BALANCE</b>	-294.6	173.5
<b>CHANGE IN RESERVES</b>	-294.6	+173.5

(- is a decrease)

(+ is an increase)

The last category represents the production levy revenue from the bauxite industry. The levy is paid into the CDF and transfers are made from it. It is rather surprising that in a period which has seen major cutbacks in bauxite and alumina production and plant closures that government revenue from this source should have increased by so much.

An important question Jamaicans have to ask in the light of these figures is, what if any will be the effect of these staggering tax revenue increases on the economy? Tax increases of this nature, after all, are not known to increase output or employment. The level of personal and indirect taxes in Jamaica are already very high, and are associated with considerable social inequity and tax evasion.

#### Unbalanced payments

With respect to the balance of payments Mr. Seaga said the following:

"The second target, to transform a deficit of nearly US\$300m in our 1983/84 balance of payments account to a surplus of some US\$300m in 1984/5 is expected to be achieved by the end of this month, representing an equally astonishing turn-around of approximately US\$300m in a single year."

#### Government Expenditures

Kingston THE SUNDAY GLEANER in English 28 Apr 85 p 22

[Text]

Government's fiscal policies continue to show positive trends, as efforts to contain expenditures demonstrated "absolute and relative falls" in January this year, compared with January 1984.

The Statistical Review for January, 1985, gave preliminary expenditure for January, as \$317.1 million or 14.0 percent of the year to date, compared with \$326.7 million or 17.8 percent in the previous year.

Capital expenditure was \$49.8 million or 12.7 percent compared with \$63 million or 13.1 percent in the corresponding period of the fiscal year 1983/84.

Total expenditure therefore was \$366.9 million or 13.9 percent of the fiscal year to date (January) 1984/85. This compares with \$389.7 million or 16.8 percent in 1983/84.

For the year to date — April 1984 to January 1985 — current and capital ex-

penditures were \$2,257.1 million and \$391.1 million respectively. Overall expenditure was therefore \$2,648.2 million.

Both capital and current expenditure were less than the projected figures of \$422.7 million and \$2,291.1 million respectively.

The review states that accordingly, "overall expenditures were \$70.7 million less than had been targeted".

#### Tax

On the revenue side, monthly targets were available for tax revenues only. But this represents some 80 percent of total revenue.

Collections of tax revenue for January amounted to \$165.5 million or \$13.7 million below targeted amount.

Over the year to date it was \$1,530.3 million against a projected out-turn of \$1,560.6 million — a shortfall of \$30.26 million.

But this was counter-balanced by the

under-spending shown above. So at the end of January 1985, the deficit was \$722.9 million or \$75.4 million short of the full year target for 1984/85.

Individual categories of tax collections show declines from four groups during January. Income tax fell from \$77.6 million in December 1st to \$66.3 million in January or 14.6 percent less. Consumption Duty decreased by 6.7 percent moving downward from \$48.4 million to \$45.2 million. Motor vehicles second sale fell by 12 percent from \$154 million to \$136 million between December and January.

"The largest percentage decrease was in Entertainment tax" the Statistical review states. The decline was 33.9 percent although its tax contribution to revenue was usually "relatively insignificant".

The largest increase was in the area of gambling (Betting and Gaming) which showed a 75.9 percent increase over December collections which moved upward from 1.3 million to \$2.3 million.

CSO: 3298/675

JAMAICA

PROS, CONS OF NEW CREDIT RESTRICTIONS DISCUSSED

Kingston THE DAILY GLEANER in English 30 Apr 85 p 8

[Editorial]

[Text]

Central to the Government's economic management policy seems to be the need to relieve demand pressures on the limited foreign exchange resources and, by extension, to ensure a sustained improvement in the country's external accounts. The latest measures to restrict credit in the commercial banking system suggest that despite earlier restrictions, aggregate demand, presumably fuelled by bank credit, has not been curtailed to the desired level. The Government appears convinced that the persistently high demand for imports (or foreign exchange), and hence a threat to the gains registered in the balance-of-payments account in the 1984-85 fiscal year, is the direct result of excess credit in the banking system.

While one expects appropriate Government action to control credit, and to direct scarce resources into the more efficient and productive areas of the economy, the tight credit policies have very serious implications for the viability of business enterprise.

It would be foolish and unrealistic not to appreciate this fact. For one weakness common to a significant number of Jamaican businesses is that they are under-capitalised and, therefore, are heavily dependent on bank credit. It means that the non-availability of credit, or its high price, is always a threat to the viability of sections of industry. The small and medium-sized businesses are among the most vulnerable.

The fact is that industry will have no option but to rely less on bank credit. In some instances the financing of raw materials and other inputs will be almost impossible, limiting any real expansion in output. It may be that with the new restrictive monetary measures the Government has adjusted its projections for real growth in Gross Domestic Product in the new fiscal year. For even where the commercial banks and the long-term lending institutions may be able to make limited credit available, the high cost of mobilizing the funds will force up lending

rates beyond the point where businesses will find it prudent to borrow.

Resulting from the credit restrictions and the high cost of money, there has been a tendency towards a cash oriented economy. This could well have a negative effect on investible resources (savings) notwithstanding the high rate of return.

The Bank of Jamaica has a responsibility to monitor, very closely, the effects of the new demand management measures which, in our view, must mean to ensure vision and flexibility in the administration of the credit guidelines to make sure that economic growth and development are not unnecessarily set back.

CSO: 3298/675

JAMAICA

BRIEFS

MANLEY OUT OF HOSPITAL--Mr Michael Manley, president of the People's National Party, has been discharged from the University Hospital and is now convalescing at his home. A news release from the PNP yesterday said: "Mr Manley has expressed his appreciation for the high level of competence, commitment and dedication of the medical and nursing personnel, the allied staff and all other members of the University Hospital. He also expressed his thanks to the medical and nursing teams and staff who attended him during his previous illnesses and who also shared the same competence, commitment and dedication. "Mr Manley has also thanked all the people of Jamaica who offered prayers and sent him sentiments of good wishes. He wishes to assure everyone that their thoughtful kindness has been deeply appreciated by his family and himself. "The National Executive Council of the party which met in Mandeville today also expressed appreciation to all those who attended to Mr Manley during his illness." [Text] [Kingston THE DAILY GLEANER in English 29 Apr 85 p 1]

CSO: 3298/675

MEXICO

FOOD PRICE INCREASES FOUND LEADING GENERAL INFLATION RATE

Mexico City LA JORNADA in Spanish 28 Apr 85 p 3

[Article by Carlos Fernandez-Vega]

[Text] A comparative analysis of prices in the first quarter of 1985 and in the same period of last year, conducted by the Bank of Mexico, shows that the prices of the foods that make up the so-called basic food basket consumed by the public increased substantially more than the general rate of inflation during that period.

According to that study, the overall rise in prices between the first quarter of 1984 and the same period of 1985 was 59.5 percent. Prices of corn, meat, eggs and milk, however, among other products, increased by larger amounts.

Between January and March of this year, compared to the same period of 1984, prices for tortillas, cornmeal and corn flour rose by 102, 105.9 and 184 percentage points, respectively, while those of white bread, "caja" bread, sweet rolls and black bread rose by 128.9, 75.9, 63.3 and 69.5 percent, respectively.

The Bank of Mexico study, compiled by the Economic Research Office of that institution, also indicates that crackers, pasta and wheat flour rose an average of 103.1 percent. Egg prices climbed by 78.9 percent, while those of edible fats and oils rose by 94.8 percent.

In the case of meat, the increases were the following: pork, 77.4 percent; beef, 93.7 percent; sausages, 75.6 percent; fish and shellfish, 63 percent; and poultry, 58.7 percent. The average rise was 82.3 percent.

In fruits and vegetables, increases ranged from 100.3 to 190.3 percent (oranges and chiles, respectively); coffee and sugar rose by 70.3 and 70.9 percent; grains climbed 77.4 percent; and cooked foods went up 83.9 percent, among other products.

The Bank of Mexico also reported on prices for other goods and basic services, such as clothing and transportation. In these categories, the increases were 63.2 percent (school uniforms) and 65.2 percent.

Medications rose by an average of 63.2 percent, and the health and personal care sector went up 63.9 percent.

MEXICO

BUSINESS GROUP LEADER URGES ENTRY INTO GATT

Mexico City EXCELSIOR in Spanish 30 Apr 85 pp 1-A, 12-A, 13-A

[Article by J. Jesus Rangel M.]

[Excerpts] The positive results of the economic restructuring and the recent trade agreement with the United States, which gives Mexico the Injury Test on exports, have enhanced foreign investors' confidence in the country. "In addition, it is certain that exchange controls will be eliminated in the short term."

This was announced yesterday by Pablo Garcia Barbachano, president of the Mexican Business Council on International Affairs (CEMAI) after expressing the opinion that Mexico should join the General Agreement on Tariffs and Trade (GATT) if "we really want to become an exporting country."

He stated at a press conference that Mexico is clearly not a net exporter, but it must change the present situation in which it sends only surplus production abroad. He noted that this year manufactured goods exports are expected to grow by 12 percent.

He indicated that "we should join GATT, because if we wanted to be exporters without entering that organization, it would be like trying to learn to swim without getting into the water. Moreover, GATT would give us time to adapt to the requirements it lays down, precisely so that the exemption would meet our needs."

He noted that it would be very difficult to promote exports without joining GATT, because then it would have to be done on the basis of bilateral pacts, country by country. Such agreements are very difficult to achieve, as illustrated by the agreement of understanding with the United States, which took a long time.

There is fear of entering GATT, he said, because of unfamiliarity with this organization and its requirements and benefits. "CEMAI will organize a meeting of the business sector to study these problems, because it is the industrialists and merchants themselves who must make up their minds about joining GATT or not, and we intend to call this meeting so that they can get to know GATT."

He reported that at the same time that President Miguel de la Madrid is visiting European countries, businessmen will be holding meetings with foreign investors to take advantage of the trip to talk to the representatives of the private sectors of the countries the chief executive will be visiting. "All this will help us step up foreign investment."

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CSO: 3248/349

MEXICO

BRIEFS

ELECTORAL APPEAL TO MILITARY--The president of the National Action Party (PAN), Pablo Emilio Madero, exhorted the Mexican armed forces "to become the zealous protectors of clean elections in all electoral procedures," since "they never swore to defend a political party or to follow slogans that involve the commission of a crime; their oath obliges them to be the guardians of the institutions, and they possess the power to defend what is right." The PAN leader stressed that the institutions owe their existence to the ballot box, because it is there that citizens' votes are cast. He warned that whether a government is legitimate or reaches power as a result of "electoral alchemy" depends on respect for the freely expressed popular will. He indicated that the military is much more than a body capable of marching gallantly in independence parades, because its work is not limited to combatting the drug traffic or distributing water in pipes to arid zones. He emphasized that the presence of the armed forces in emergency aid efforts has won them the respect of those who have leaned on the arm of a soldier or whose lives have been saved by the timely intervention of a sailor. Madero stated that the armed forces do all this and do it well, but that is not all it means to be a soldier, sailor or military pilot in our country. Each of them has sworn to defend the flag, as a symbol of all Mexicans; each has sworn to serve this fatherland of ours, and to be the protector of its institutions. He reiterated that the institutions arise out of the ballot box. The PAN president added that for all these reasons, rather than simply applauding their splendor in parades, their generosity in calamities and the bravery they have shown in the struggle against drugs, the people of Mexico will applaud their soldiers and sailors when "on election day, their presence prevents electoral fraud," he concluded. [Text] [Mexico City EXCELSIOR in Spanish 30 Apr 85 pp 4-A, 40-A] 8926

CSO: 3248/349

NICARAGUA

OPPOSITION WRITES GORBACHEV DIALOGUE MESSAGE

PA090016 San Jose LA REPUBLICA in Spanish 25 Apr 85 p 13

[Letter from Nicaraguan opposition leaders Arturo Cruz, Alfonso Robelo, and Adolfo Calero to Mikhail Gorbachev, general secretary of the CPSU; date and place not given]

[Text] We have read with outrage the message that your government, through the news agency TASS and the Soviet Embassy in Costa Rica, has released.

In addition to calling us "mercenaries," your government attempts to discredit the call to a national dialogue made by the Nicaraguan resistance to the Sandinist regime, by describing it "a maneuver of deceit." You also insolently assert that the USSR will increase its intervention in the domestic affairs of Central America.

For your information, Mr Gorbachev, the Nicaraguan resistance includes the best sons of Nicaragua, who have undertaken through civic and armed struggle the heroic and difficult task of liberating our country from the totalitarian yoke which the FSLN, with the open intervention of your country, has imposed on our people after betraying their democratic ideals and mocking the promises made to the OAS member countries.

The Nicaraguans fighting to rescue their country's sovereignty are patriots, not mercenaries.

The troops, military advisers, KGB agents, terrorists, and internationalists of the Soviet bloc and its allies who daily rob, torture, burn, murder, and persecute helpless Nicaraguans are the mercenaries, Mr Gorbachev.

The Nicaraguan crisis is a result of the people's rejection of a regime that contravenes the essence, values, and aspirations that gave birth to the revolution. Therefore there is a domestic conflict between the Sandinist party and the Nicaraguan people, a conflict exacerbated by the interference of your country and its allies, which want to make Nicaragua their pawn and sacrifice it on the altar of your expansionist geopolitical aspirations at the expense of the holocaust of thousands of Nicaraguans.

In view of the above, careful not to fall into your trap, and anxious to shield our people from unnecessary suffering, we agreed to support the call

to a national dialogue issued by the Nicaraguan Democratic Coordinating Board (CDN) to promote genuine understanding among Nicaraguans and end the civil war and Soviet manipulation of our domestic affairs. The call to dialogue was endorsed by distinguished statesmen in this hemisphere, including U.S. President Ronald Reagan, who asked us to extend the deadline for the beginning of the dialogue. We granted that request. The dialogue proposal is a Nicaraguan initiative for Nicaraguans to discuss solutions for their country's problems.

Therefore, the call to a national dialogue is not "a maneuver of deceit" as your government has maintained, but a sincere effort that can only be put to a test if the Sandinist regime accepts it.

Mr Secretary: The Nicaraguan people's aspiration to a democratic government is a historical struggle and not an imposition by Washington or the product of some Nicaraguans' capriciousness. This is why we insist that without democracy in Nicaragua there will be no peace in Central America, because as members of the resistance we are willing to pay the ultimate consequence to achieve this goal of national democracy.

With regard to your government's insolent statement that it will increase its intervention in the region's domestic affairs, we hereby reiterate the pledge of the Nicaraguan resistance to shed the last drop of its blood to expel the Soviet-Cuban invader from Central American soil, as our fore-fathers did when they expelled from Nicaragua the American filibuster William Walker. Our struggle is inspired by the heroic resistance of the Afghan guerrillas who are fighting genocide and the ignominious occupation that you direct, the valor of the Solidarity workers in Poland, the courage of Angola's UNITA, and the tenacity of all democratic and antiexpansionist front in the world.

CSO: 3248/368

NICARAGUA

ARDE SEEKS AID FROM WORLD'S DEMOCRACIES

PA101245 San Jose LA REPUBLICA in Spanish 30 Apr 85 p 15

[Communiqué issued by the Revolutionary Directorate of the Democratic Revolutionary Alliance (ARDE) in San Jose, Costa Rica, on 24 April 1985]

[Text] ARDE, made up by the Nicaraguan Democratic Movement (MDN), Movement of Solidarity with Nicaraguan Democratic Workers (STDN), Christian Democratic Solidarity Front (FSDC), and Nicaraguan Democratic Union (UDN), states the following:

- 1) Our political struggle to achieve Nicaragua's democratization is not subject to or conditioned by any kind of economic aid;
- 2) The aid we are requesting from the U.S. people will bring pressure on the FSLN to accept a political solution that would end the civil war ravaging our country and would contribute to bringing peace to the Central American area;
- 3) We believe that the stance adopted by the Reagan administration, supported by millions of U.S. citizens, is a clear signal that the United States supports the battle that Nicaragua's democratic sectors are waging. This stance implies moral support and democratic solidarity of immeasurable value;
- 4) History will determine the responsibility the U.S. liberal Democrats will bear in this, since, blinded by their anti-Reaganism, they have adopted an inflexible position of support for the FSLN's Marxist-Leninist regime;
- 5) We reiterate vigorously and with full conviction our support for the Nicaraguan patriots who are fighting legitimately to liberate our homeland. Those who risk their lives for the sake of that ideal deserve all our respect and total solidarity;
- 6) Once again we demand support from all the world's democratic peoples and governments for Nicaraguan resistance to eliminate the Marxist tyranny which seeks to consolidate itself in our country and against the expansionist actions of Soviet imperialism in the Central American region;

7) Voices raised in discord or the obstruction of true national reconciliation are merely playing into the hands of the communist clique of the FSLN;

8) Our struggle will continue until the Sandinist regime is completely replaced by a regime of justice with liberty, respect for human rights, and full exercise of political, union, business and religious freedom.

Without totalitarianism or a return to the past!

Alfonso Robelo, MDN  
Zacarias Hernandez, STDN  
Fernando "El Negro" Chamorro, UDN  
Anibal Ibarra, FSDC

CSO: 3248/368

JPRS-LAM-85-050  
7 June 1985

NICARAGUA

BRIEFS

AGREEMENT WITH ITALIAN FIRM--A contract was signed yesterday between the Nicaraguan Energy Institute [INE] and Italy's Industrial Electromechanical Group [GIE]. The GIE will be in charge of the civil engineering works and the electrical and mechanical installations of the second phase of the Momotombo Geothermal Project which is to be financed by the Italian and Nicaraguan Governments. Emilio Rappaccioli, minister director of INE, and (Benito Boi), the GIE's trade delegate for Latin America, among others, signed the contract. This phase of the construction of the Momotombo Project will begin in mid-1986 and will be completed in 1988. [Summary] [Managua Radio Sandino Network in Spanish 1200 GMT 7 May 85 PA]

CSO: 3248/368

PERU

#### GARCIA PLANS TO INSTALL PRESIDENTIAL COMMUNICATIONS CENTER

Lima CARETAS in Spanish 22 Apr 85 pp 13-15, 65

[Text] Last week, the Miraflores intersection of Pardo and Bolognesi, where the Saint Michel building, residence of Alan Garcia, is located, suddenly sprang to life, as did the Camino Real towers in 1980 when Fernando Belaunde Terry regained power.

But the commotion now is even greater. Not only are the APRA [American Revolutionary Popular Alliance] strategists planning an austere but lightning second turn, but the National Government Planning Commission (CONAPLAN) is also embarked upon a race against the clock, readying new packages of measures that should be adopted by the Aprista administration as soon as it enters office.

Last Saturday, Garcia held a lengthy working meeting with Javier Tantalean Arbulu, one of his closest advisers, Gustavo Saberbein Chevalier, Jose Palomino Roedel, the two main economic experts of CONAPLAN, and Carlos Franco, former negotiator for SINAMOS [National System for Supporting Social Mobilization] and now a close adviser to the APRA. The meeting had only one topic on its agenda: What is to be done with the current structure of government? And yet, more than one surprise was in store.

#### Computer

First of all, the officials defined what will be the system of presidential management, based, as Tantalean says, on introducing computers into high-level political decision-making. In other words, Belaunde Terry's model room will certainly be replaced by a computer and telecommunications center.

Garcia has asked his advisers to feed all the economic and social statistics needed to make decisions into this system of computers, which will have terminals in some 480 public offices, including ministries, the state banks, public enterprises and development corporations. For example, the computer will store data on the daily monetary emission and its probable impact on inflation, daily variations in prices of our raw materials or the monthly wage variation, so that when the president requires such information, he will not have to consult any minister or high official. He may simply punch out the information so that it will appear on his own screen.

"In addition," the CONAPLAN officials report, "we shall also provide him with graphs with the location of projects, sites and locations in case Alan wants to look at a map!"

This kind of "Tecnotron" of Garcia's will also be connected with television's Channel 7 so that information may be transmitted to any point in the country.

The virtual president-elect says: "If we have a surplus of some crop in one department of the country, the computer will be able to tell us so so that we may immediately call the Agrarian Bank code and issue instructions that loans be halted for that crop and that region. Information will be able to be transmitted immediately via satellite so that the farmers will have something to go on."

One of the most enthusiastic promoters of the system is Hector Delgado Parker, who will be involved in its implementation. Cesar Atala, who was also present at Saturday's meeting with the likely Senator Javier Silva Ruete, reportedly offered to handle the outside financing needed to install the computers beginning on 28 July.

#### Budget Modifications

The first test of the presidential computer system will come when it is used to help map out changes in the budget of the central government for the second half of 1985, giving priority to and increasing the shares of agriculture and health.

Two special projects are to be created and supervised directly by the president: Ayacucho and Puno. Obviously, for this year the measure will be mainly symbolic because the main core of the budget is eaten up by regular spending and scarcely anything will be left over for investments. But something is better than nothing.

#### New Ministries

The new government will also introduce substantial changes in the current Cabinet structure. Leaving the prime minister without a ministry (see CARETAS, No 846), for example, and linking him more closely with the Departmental Development Corporations, should stimulate the real administrative decentralization of the country.

If one of Garcia's proposals is approved, the Ministry of Agriculture would absorb Fishing and the National Development Institute (which includes all the special mountain and jungle projects and major irrigation), to say nothing of the National System of People's Cooperation and the National Food Support Office. "It is a question of centralizing the handling of agriculture and food."

In addition, the government would create two new ministries. Culture, based on the current INC [National Institute of Culture], would revitalize this important aspect of national life, with a massive publishing program highlighting

national authors. The other ministry would be Commerce, although it could also remain as the National Institute of Commerce, as proposed by Alejandro Tabini.

Finally, there would be a presidential advisory committee whose task it would be, among others, to support the previously described data processing and publishing programs.

It was reportedly also decided at the Saturday meeting to separate public enterprises from the tutelage of the ministries, which have turned them into "petty cash." The 164 enterprises would be grouped into eight or ten specialized holding companies, an idea suggested by Alejandro Tabini and Felipe Ortiz de Zevallos for several years. But since there are over 20 whose management by the government cannot be justified, consideration has also been given to the possibility of selling them to the private sector or their own workers organized into cooperatives.

Despite the fact that the meeting ran overtime, forcing Pilar de Garcia to improvise a "field luncheon," the agenda could not be completed and discussions will continue this week.

#### Possible Cabinet Appointments

In circles close to the highest Aprista leader, the subject that has everyone on the edge of his seat is that of possible ministerial appointments. Comparing different sources makes it possible to make certain predictions and rule out other choices.

Luis Alva Castro is unanimously pointed to as the next prime minister. The problem is the organic law regarding the head of the Council of Ministers, which forces him at the same time to head a ministry, at least until that legislation is changed. Whatever the case, it would not be the ministry on Avenida Abancay, although it might be nearby. There are those who say that he might be foreign minister for a week.

Another who would not go to the Ministry of Economy, Finance and Commerce would be Manuel Moreyra Loredo, formerly president of the BCR [Central Reserve Bank], who would, on the other hand, be the foreign debt negotiator, a post to be created at a higher level than the current chairmanship of the committee.

Cesar Atala, former governor of Peru for the International Development Bank, who has also been mentioned for the portfolio, could be ambassador to the United States, with the possibility of later being an alternate minister in any area. The "Turk" spent the weekend in a private committee meeting with Alan Garcia.

Carlos Alzamora Traverso, who was among the visitors last week, has reportedly been confirmed as the next foreign minister (CARETAS 845). It is known that he is clearing up his things in Geneva.

Retired Gen Julian Julia is mentioned as certain for the post of minister of defense.

The key man for the Ministry of Industry would reportedly be Gustavo Saberbein, 38, an engineer and CONAPLAN coordinator.

Javier Tantalean Arbulu, 39, a civil engineer and son of the former minister of fishing, is said to be headed for the National Planning Institute. He will also head the presidential advisory committee. Whatever the case, Pocho Tantalean is the key man for economic decisions and a link between several internal groups.

Mentioned for the post of minister of interior is newsman Jorge Raygada Cauvi, who spent long years in Venezuela, whence he has returned with all honors. He was reportedly nominated by Armando Villanueva, who was originally mentioned for the post.

The former head of the Lima Bar Association, Gonzalo Durant, is a near certainty for the Ministry of Justice.

Alfonso Grados, for whom Alan Garcia demonstrates particular esteem, will reportedly be a presidential adviser on foreign matters. "'El Ronco' knows a lot," he is known to remark.

Juan Hurtado Miller will probably continue to head Agriculture.

Hugo Garcia Salvatecci is often mentioned as the next minister of education, although Leopoldo Chiappo, a psychiatrist, is also suggested. In the Ministry of Education, the APRA intends to set up a vice ministry of science and technology, to be headed by the former dean of the College of Engineers, Carlos del Rio.

The first head of the Ministry of Culture will reportedly be literary figure Julio Ramon Ribeyro. A trusted adviser of Garcia went to Paris over the weekend to convince the writer.

Something that came as a surprise to many was that publisher Hugo Otero Lanzarotti, a fundamental figure in the campaign, has simply preferred to remain as chief of press in the Palace, a post of great trust but without the prestige of a ministry.

Also on an advisory level would be Luis Gonzales Posada, publisher (HOY and VISION), and Hector Delgado Parker (Pan American), who have both acted as political advisers to Garcia.

Over a dozen more names are making the rounds in the corridors of the different party headquarters. Perhaps the one heard most frequently is that of Victor Tirado, in what is left of Sinacoso, but the makeup of the economic team and that of the remaining ministries are not completely decided. What is certain is that Pilar de Garcia is organizing her own government support group.

11,464  
CSO: 3348/625

PERU

5-VOLUME APRA PLAN OF GOVERNMENT OUTLINED

Lima OIGA in Spanish 22 Apr 85 pp 17-19, 78

[Article by Pedro Planas: "The Aprista Program"]

[Text] Curious coincidences are sometimes discovered in history. For example, Alan Garcia would become president at the same age, 36, as Haya in 1931 when, following a long exile and shortly after the installation of the Aprista section in Peru, he participated in his first election dispute. And yet, in addition to the result -- despite his large number of votes, Haya did not beat Sanchez Cerro -- there is a substantial difference between the candidates of the past and of today: their message. Alan's discourse, bombastic and often abstract, could be called politically brilliant, but a far cry from the precision that marked Haya in that year of 1931 and whose result was the meaty Discourse-Program at the vast assembly in Plaza de Acho that year.

The Plan of Government drafted by CONAPLAN [National Government Planning Commission] fills five volumes: "Overall Diagnosis of the Peruvian Economy and Society," "Basic Premises for a Future Government," "Emergency Plan," "Medium-Range Plan for the 1985-1990 Period" and "National Program for a Different Future." In addition, 2 years of work resulted in 25 departmental plans, one for each, and a "Synthesis Document" of the five volumes which, paradoxically enough, is already considered as a sixth! Together, they make up what has been called the "Peruvian Plan" and they bear the slogan chosen by CONAPLAN to summarize its objectives: "Let us learn to live with what we have."

That synthesis, "Basic Proposals of the Peruvian Plan, contains 89 pages divided into an introduction, 17 chapters and an appendix. This was the "secret" document from which Carlos Espa, in PULSO, read a section and which Alan Garcia avoided with such political shrewdness: "It is so secret that I have not even seen it," he said bluntly from Juliaca. But it had already been distributed, marked "For Your Eyes Only," to national PAP [Aprista Party of Peru] leaders and Chamber of Deputies candidates to be disseminated, in the main, during the final days of the election campaign. It is the document supposedly being edited by Luis Alberto Sanchez. And it will finally be the document that Luis Alva Castro, as president of CONAPLAN, will present to the press, probably next week. It contains the (almost mysterious) measures that the Aprista government will apply beginning on 28 July. Let us take a look at some of them.

### Drastic Moralization

For the first 100 days of government, priority will be given to issuing a "package" of measures to moralize public administration, including the following:

Drafting national legislation to regulate "conflicts of interest," taking the "direct or peripheral" handling of affairs of state, national enterprises, local governments and so on, away from those having connections, either private or through a partner or relatives, with national or international persons whose relationship might affect interests of state.

A total redefinition, by law, of the responsibilities and obligations of government officials, employees, advisers and consultants of the state, public or related enterprises, placing them under a system of national control and requiring an annual sworn statement of personal assets.

The establishment, under the Ministry of Justice, of a National Registry of Persons, Advisers, Consultants and Foreign Services who have provided services to the state in the past 2 years. There will be a special section naming persons who have or maintain relations with foreign interests.

Total reorganization of the Regulations on Bidding and Public Works and on Competition between Consulting Firms.

Reorganization of the General Tax Directorate: strengthening of the Office of Comptroller General of the Republic, the Banking and Insurance Superintendency and the National Supervisory Commission of Businesses and Securities.

Reorganization of customs and a change in security personnel. In addition, in order to counter smuggling, there will be a drastic increase in punishments for the crime, along with an elimination of "privileges" such as release on bail, provisional release, and so on.

### Redistribution and Jobs

The policy of redistribution will be channeled through the Discriminatory Programs for the Poor in order to meet social demands for food, health, education, and so on, based on fiscal resources obtained from the financial circuit, surpluses obtained by the government in its new commercial functions and "other income from new tax mechanisms to be implemented regarding the highest-income groups." In addition, there will be a new tax on sales, inheritance, luxuries, excess profits and external symbols of wealth, which will provide new income for these programs of redistribution.

In the industrial, agricultural, mining and fishing sectors, the PAP program is considering redistributive measures that it will apply in office: workers' access to ownership, management and surpluses from production units and services. In addition, the policy of redistribution will be closely related to the job policy to be inserted into a National Project of Change and Transformation that will be developed. the plan says, "roughly within the period from 1985 to the

year 2000." By that year -- indeed, by the year 2000 -- we shall have "to respond to the challenge of creating some 4 million jobs, in addition to improving the level and quality of work for nearly 1.9 million manual and intellectual workers." For this purpose, it will be necessary to mobilize, in these 15 years, \$32 billion -- nearly triple our current foreign debt -- although it is not expressly stated where that sum will come from! The possibility of shortening the working day is also mentioned, but in relationship with increased production and productivity.

They add that the Aprista government will have "active and direct participation in the management of development and employment" and in the "democratic, coordinated planning of all representative sectors in the country." "Under our government," the Aprista document states, "the state will guarantee complete and total stability of employment." With respect to the setting of minimum and maximum wages and salaries, this will be done through the Wage Coordinating Council, which the PAP will create and which will be made up of representatives of the government, capital and labor.

#### Planning and Sectors of Ownership

Planning, says the Aprista government program, "constitutes a fundamental aspect of our future government" and "must necessarily exist in the public sector and be coordinated with the private sector." This planning not only involves economic aspects, but social and political aspects as well, which will require a "reorganization of the government apparatus." Finally, they say, this planning is "closely linked with the old Aprista proposal of the National Economic Congress" that must be set up to head the national planning system, also to be created.

However, in order to reform the constitution in order to include the economic congress, rejected in the debate of the Constituent Assembly of 1979. two regular legislatures and a very disciplined majority are required. What is to be done in the meantime? We quote: "In short-range terms, it is feasible to set up the economic congress through a law, which would certainly mean a first phase, inasmuch as the originally planned functions would require a longer period of time for their establishment." Once installed, the economic congress would have three duties: coordination of economic policy, drafting of the socio-economic diagnosis and short-range planning.

One of the planning mechanisms to be used may be the signing of contracts between the government and private companies, cooperatives and self-management organizations in order to spell out the goals to be attained, along with their respective deadlines and schedules.

However, the treatment of the different enterprises will not be the same. "In the long run," says the Aprista program, "we aspire to a society in which cooperativism will have priority," as a result of which in the 1985-1990 government, "the state will place special political emphasis on facing the current problems of the cooperative system." For example, since the PAP opposes the system of parcelling out land begun in a number of agrarian cooperatives, they will grant those cooperatives "so many benefits that such parcelling will

not be attractive." Special emphasis will also be placed on transportation, consumer, service and other cooperatives, on "cooperative education" and on "everything necessary to strengthen the cooperative system in all its forms."

Concerning the national sector, the PAP does not support placing limits on government action. At any rate, it distinguishes three levels of state activity: those that require the "continuing presence and participation of the state," "promotional or regulatory" activities and the presence of the government only for "circumstantial" reasons. This criterion is also true for public enterprises and "to promote and create the new (public) enterprises that the country needs."

#### Food, Health and Education

In order to give effective priority to agriculture, a national system of food security will be created based on a series of products that go into the daily grocery basket. National products will gradually replace the imported food that costs us \$500 million a year. This is the area in which the CONAPLAN slogan, "Let us learn to live with what we have," takes on the most meaning. We shall have to learn to eat our own food products such as quinua, tarwi, chuno, corn and so on, incorporating them into a basic diet, for which purpose a food education campaign will be waged. We shall also try to double the per capital consumption of fish and there will be a program of low-income cafeterias. The "reorganization of patterns of consumption based on the country's development needs" will be the basic norm of the food policy.

The Synthesis Document does not contain a section on health. However, in another volume, the following objective is outlined: "Health for everyone by the year 2000," which will mean a policy of health services over the next 5-year period, along with supplementary food programs for pregnant women and children under the age of 5.

The education policy of the Aprista government will revolve around the so-called National Education Council, which will function as a guide for the policy. It is deemed necessary to enact "a veritable reform of education," since "the process of revolutionary transformation that we are going to initiate and that not only means a change in economic and social structures" also means "a reformulation of our country's values, reeducation and a revision of our current attitudes and behavior," as the Aprista government program explains. The "reform we propose will have to substantially modify the content and orientation of education" in order to form "a critical conscience of the citizenry." This reform will also guarantee that education is universal and free, multilingual and pluricultural, that it will respect political and religious pluralism, consolidating equality of opportunities in education.

Concerning the communications media, no reference is made in the Synthesis Document, but as OIGA announced, the Aprista government "would get rid of" SINACOSO, but in order "to create the National Communications Council as a permanent supervisory organization made up of representatives of all sectors of the community." It will also create, in addition to this council, the National Communications Institute "as an executive organization centralizing and coordinating the government's communications role with other media."

## Finance, Foreign Debt and Inflation

The government will play a predominant role in the handling of the now re-organized financial system, but while giving autonomy to each of the enterprises so as to ensure compliance with the Economic and Social Development Plan. To do so, it will be necessary "to make maximum use of mechanisms of orientation and control of private banks in order to channel resources toward the overall priorities defined by the government."

There will be an effective policy of defending the balance of payments, promoting traditional and nontraditional exports, seeking coordination with other producer countries regarding the prices of our exported raw materials and adequately planning exports, seeking sustained growth. The government will assume responsibility for marketing export products and will initiate an aggressive policy of finding new markets, all within the framework of the Foreign Trade Program, which "under specific circumstances may lead to the adoption of different rates of exchange."

In order to minimize dependency on foreign capital, the Aprista plan explains, we must avoid a drain of surpluses in the form of luxury spending, overpricing or excessive payment for the transfer of technology. We must also restrict the consumption of luxuries based on local production in order to increase national savings. We shall discourage trips abroad "for purposes other than strictly official" by means of a kind of compensation: "In addition to making them more expensive (trips abroad). it would be more advisable to shift them toward domestic tourism."

The Aprista program considers the problem of the debt to be basically political in nature, for which reason it will attempt a joint Latin American action. It will seek an overall renegotiation of the foreign debt in order to restructure rates and payment periods. A renegotiation stretching over a period of 15 years, with a deferment period of 7 years and an 8-year amortization, will be the PAP's proposal. Service on the debt will be set in terms of exports and not necessarily as a percentage of the total public spending.

In order to cut inflation, the Aprista government will use the mechanisms of coordination with the business sector to prevent price speculation. There will be selective control of prices for goods and services and a decline in devaluation. A differential rate of exchange will be established, along with differential interest rates for priority activities. Drastic measures will be implemented in order to punish adulteration, speculation and hoarding.

In the main, these are the outlines of the Aprista government program, which had practically been shrouded in mystery but which will now be released. It could not be otherwise. These are the political and social measures to be applied in the country effective 28 July. OIGA presents the program of the Aprista Party, aware that since a commitment "to all Peruvians" is involved that goes beyond the strictly partisan, a debate on that program, with the participation of "all Peruvians," will be most enlightening. At OIGA, we are quite aware that only Peru can save Peru.

PERU

BRIEFS

CURRENCY FLOW STUDIED--A study to encourage the repatriation of foreign exchange by means of a different exchange rate and proper guarantees aimed at helping to relieve the shortage of such resources was announced yesterday by the APRA [American Revolutionary Popular Alliance] presidential candidate, Alan Garcia Perez. The candidate said that there are large sums of foreign currency deposited abroad by Peruvians to a lack of confidence in the country's industrial development. During a visit to the headquarters of the PAP [Aprista Party of Peru] Government Plan in Miraflores, he explained that such an undertaking is being carried out by a number of proposals made by friends, proposals being analyzed by experts in formulating government planning. [Excerpt] [Lima EL COMERCIO in Spanish 24 Apr 85 p A-4] 11,464

FIRST FLIGHT TO ANTARCTICA--Peru will make its first official flight to the continent of Antarctica in December and will hoist the national flag on the 600,000-kilometer-square territory rightfully belonging to it. The flight will be made in a Peruvian Air Force plane by scientific personnel from the Peruvian Air Force, Navy and the Institute of Antarctic Studies. It is also anticipated that one or two members of the Republican Guard, which recently opened a school for such studies, may make the trip. The flight will constitute the point of departure for the establishment of a Peruvian scientific base on the icy continent in order to solidify Peru's claim to the southerly territory, according to Dr Luis Vilchez Lara, director of planning of Antarctic studies, who also said that the initial investment for the establishment of a base in Antarctica, including an ice breaker, totals an estimated \$50 million. Vilchez Lara, who yesterday gave a presentation of Antarctic problems before a group of officials from the Republican Guard, said that Peru bases its presence on the continent on geographic, oceanographic and geodesic factors, among other things, "because it is located below the Equator and its coastline forms a natural projection linked to the southern sector and closing the Antarctic triangle of the South Pacific." [Text] [Lima EL COMERCIO in Spanish 20 Apr 85 p A-6] 11,464

PETROLEUM EXPLOITATION CONTRACT SIGNED--Petro-Peru [State Petroleum Agency] has ended the negotiations and approved the signing of a new contract with the Continental Oil Co for an investment of approximately \$30 million in petroleum exploration, Energy Minister Juan Inchaustegui has reported. The new contract provides for exploration in the zone of Pucallpa, in the central jungle region, at the investors' own risk, for a period of 2 years. [Summary] [Lima EL COMERCIO in Spanish 18 Apr 85 p A-1 PY]

ZINC DEPOSIT DISCOVERED--The Mining and Metallurgical Geological Institute yesterday reported the recent discovery of an important zinc deposit in the mine located in the province of Cajatambo, district of Oyon, 150 km north of Lima. [Excerpt] [Lima EL COMERCIO in Spanish 22 Apr 85 p A-1 PY]

LA JOYA HYDROELECTRIC DAM--Arequipa, 19 Apr--The civil works of the hydroelectric dam in the district of La Joya will begin in July 1985. It has been reported that the investment will amount to \$6.5 million [figure as published] and that the plant will be able to generate 10 MW, but it can be expanded according to needs. Thus, La Joya will have electricity for its domestic needs and for its agro-industrial development, which is the great objective of the future. [Summary] [Lima EL COMERCIO in Spanish 20 Apr 85 p A-16 PY]

CSO: 3348/683

ST VINCENT AND THE GRENADINES

MITCHELL INTERVIEWED ON DOMESTIC, REGIONAL ISSUES

Bridgetown CARIBBEAN CONTACT in English May 85 pp 8-9

[Text]

THE Hon. James Mitchell, in less than a year since he has been Prime Minister of St. Vincent and the Grenadines, has shown that papering over the problems of his country and CARICOM with diplomatic words, is definitely not his strong-point.

Early in his administration, Mitchell proclaimed his intentions not to spend a cent on any regional army and urged his counterparts in and outside the region to put money into alleviating the enormous social and economic problems which plague these countries, rather than into armies, and gunboats. The ten months he has been in office has not dampened his plain-speaking manner . . . if anything it has become sharper.

In this interview with *Caribbean Contact* Prime Minister Mitchell announces his intentions to pull St. Vincent and the Grenadines out of the CARICOM-owned shipping line, West Indies Shipping Corporation (WISCO), unless the line can, at least, break even. He expresses support for the European view that LIAT, the regional airline, should buy the Franco-Italian ATR-42 aircraft and not the BAE Super 748s, because the experts who studied LIAT's problems recommended the ATR-42s.

Prime Minister Mitchell also announces that the island's alien land holding laws will be tightened to prevent their circumvention as he

says happened when a group of Danish teachers paid US\$2.1 million for a 3,400-acre estate in the north of the island. Furthermore, in line with his views on land reform, he says he has already written several other estate owners, expressing an interest in his government purchasing their lands.

Prime Minister Mitchell identifies CARICOM's problems as stemming from weaknesses in the economies of member countries; the inability of members to create jobs to keep pace with population growth, and warns: "If we do not contain the population growth in these islands, we will continue to be in a lot of trouble. This is one of the fundamental causes of our poverty."

The text of the interview follows:

ROLE OF THE  
PRIVATE SECTOR

*CC: You have criticised the sugar industry and government's involvement in enterprises such as hotels and shipping. Does this mean that you plan to divest state interests in these areas?*

*MITCHELL:* We have secured the services of the Food and Agriculture Organisation to do a study of the sugar industry for us. The report has not yet been compiled. I really would have liked to have had

the study done by September or October (1984). But it was very difficult to get the terms of reference settled, and to get the right agency to do the study. I wanted to ensure I got international experts whose opinion would be respected. It meant we had to proceed with another crop.

Since this crop has started, the over-draft (on the industry) has gone up another million dollars. When we inherited this industry, it already had an over-draft of EC\$21.6 million. The crop has just started and we are up to nearly EC\$23 million. This is the over-draft alone. We are not dealing with the other debts.

*CC: What kind of role do you see for the private sector in St. Vincent and for the government in the economy?*

**MITCHELL:** I would like to see the private sector get more involved. The government has its own role to play in regard to stimulating growth, such as building roads and so on. But I do not see much role for the government in areas it got involved in in the past, like operating hotels, operating ships, operating industry. That kind of activity is what I see the private sector best capable of doing.

*CC: Will you be offering these state enterprises to the private sector?*

**MITCHELL:** Well, we have, for example, the vessel outside there, one on which we lost some EC\$2 million. I put it up for tender . . . and not one soul even tendered five cents for it. I am looking for anybody who will relieve me of it, because I do not have the time to run a ship, and the Ministry of Communications does not have the time to run ships. That is an area for the private sector.

*CC: Do you detect a reluctance of the private sector to become involved?*

**MITCHELL:** No, the private sector is very involved in shipping in the Caribbean. The private sector has been very competent with shipping . . . but the West Indies Shipping Corporation has been a failure all the time and is looking for subsidies . . .

## WISCO AND LIAT

*CC: So you have misgivings about WISCO?*

**MITCHELL:** If they can break even, I would be impressed. If they cannot make a profit, they should get out of the business . . . I withdrew from WISCO (when I was premier), and then the last government went back in. If they do not break even now, I will withdraw again. I will give them a chance to see what they are doing. But I have no money to subsidise shipping. If the private sector can make money in shipping, why should taxpayers subsidise it.

*CC: And what of LIAT?*

**MITCHELL:** LIAT needed new planes, and projects were put to the European Development Fund. The studies were done by consultants appointed by the European Commission and the governments of the West Indies. As a result of the study, the consultants decided that the French/Italian ATR-42 aircraft was most suitable for the region. But the ATR-42 would not be available until 1986.

So bridging finance was required because LIAT needed to change its planes almost immediately. The Europeans offered bridging finance, but before that was completely negotiated, the British proposed to supply some old technology AVROS for a limited period, with an unconditional buy back guarantee anytime between now and 1988.

If somebody is going to give you a new plane, with an unconditional guarantee to buy back anytime, you will go for it. This would also give us time to view and see the performance of the ATR-42. Lo and behold, after the planes arrived here, we are told that the British guarantee is not unconditional, and that they will buy back the planes only at a fixed date in 1988, and at no point before. On top of this, while the argument is being mounted that the ATR-42 is untried and untested, we take up a Canadian offer to use DASH-8 aircraft whose engines are similar to the ATR-42 . . . this makes us look like fools in the international community . . .

*CC: But LIAT is pressing ahead with the British deal.*

**MITCHELL:** They can press ahead, but they are not getting the signature of the government of St. Vincent and the Grenadines on it.

*CC: So what does this mean?*

**MITCHELL:** I am not committing the taxpayers of St. Vincent and the Grenadines to guarantee any payments on what I do not consider in the best interests of the people.

*CC: Do other governments of the area share your views on this subject?*

**MITCHELL:** I think that they are allowing me to bell the cat. But quite a few of the other governments are realising this is the appropriate position.

to benefit industrial, agricultural and tourism projects; land reform to deal with agricultural production, agro-industry and unemployment and finally, family planning.

When rumours developed on the purchase of this land in January, I said very early that no alien lease would be given. As a matter of fact, before anything was finalised with the Danes, I wrote the owners indicating government's interests in purchasing the lands. As a matter of fact, I have written other estate owners telling them we are interested in buying their lands. Way back in February, we published the notice of our intentions to acquire the Orange Hill Estate.

In our law, three notices are required, the first of which allows surveyors to go in and survey the land . . . acquisition notices

must be published in the ordinary issues of the Official Gazette . . . so you cannot do supplementary issues. So we have been following the steps right on time, and we have now published the first notice. It is entirely in my own discretion when I publish the second notice, but it must be done within three months.

*CC: How much will it cost government?*

**MITCHELL:** This is determined in one of two ways: negotiation with the owners, or by arbitration in the courts.

*CC: Who do you recognise as the owners . . . the Danes or the Bernards?*

**MITCHELL:** We have served notices on both.

*CC: Out of this episode, do you see the need for tighter alien land holding laws?*

**MITCHELL:** Yes. We are already working on that in the legal department. I do not want to spell out details or anticipate the legal department and Parliament. But I can assure you that the gaps that now exist will be closed.

*CC: Will there be any specific legislation to accelerate this land reform you advocate?*

**MITCHELL:** No. We do not need any legislation on that. What we need is the money. The plans are already there.

### ORANGE HILL AND LAND REFORM

*CC: During the past few weeks, the purchase of the large estate, the Orange Hill Estate, by a group of Danes has been occupying your attention. What kind of thinking informed your decision to block the sale, and eventually acquire the estate?*

**MITCHELL:** My position on land reform is well established. I postulated my position on land reform in the Caribbean since 1972 when I addressed graduating students at St. Augustine (UWI Campus in Trinidad). During my last administration (1972-74), I purchased two estates and I was able to get one of them off the ground. It was not as well organised as I would have liked, and then the government fell . . . but nevertheless, it has been a success . . . It is one of the most productive areas of St. Vincent now. People have changed from being wage earners to being owners. It has made a beautiful psychological change and people who never knew what it was to own a bank book, have a bank book and have their children in secondary school . . .

When I speak on the macroeconomic policies of St. Vincent, I see what the means of our development have to be: air transportation

## CARIBBEAN BASIN INITIATIVE

*CC: What potential does the Caribbean Basin Initiative hold for an economy such as St. Vincent's?*

**MITCHELL:** We need to work with Americans who know the market place, because it is very difficult, technically, for our businessmen in these small countries to know what they can sell in the USA. We need to have someone in the US with the market place situation who can then work in joint ventures with a local business...

## EASTERN CARIBBEAN DEFENCE PACT

*CC: St. Vincent remains a member of the East Caribbean defence pact. Is there really a need for such a pact?*

**MITCHELL:** I do not claim to have all the permanent answers to these problems. But certain questions have to be thought out in depth; for example, what is regional defence for, and from whom are you being defended? If a bunch of mercenaries came in here tonight, they would take over St. Vincent... what would they do with St. Vincent? Kill me and a few others? What will they do with the place? Will they organise the banana market, the arrow-root market? Loot all the banks? Take out EC currency and run? Of course, mercenaries can come in to help local people if they want to overthrow the government. So you have to look at the situation internally. What kind of situation can develop that will need a little bit of topping up to bring down the government.

If you are alert, you can keep your eyes on what are the areas of disenchantment. If you look at the question of assassination, you can only mitigate the opportunities for madmen and fools. But at the same time, that is one area where regional security cannot help you.

And then you have the problems of local discontent, riots and so on. But those things are really questions to be addressed by the competent administration in the country itself.

We will never be able to afford (the costs) to stop invasion by a foreign power... If any country decided they wanted to invade us, we will not have the resources to be able to cope with that... When I look at some of these regional agreements in the Caribbean, we have a terrific history of the breakdown of regional agreements; and I am not so sure I could pin my faith on the integration process in that regard.

## PROBLEMS OF CARICOM

*CC: What in your view are some of the problems facing CARICOM, and what is the way forward?*

**MITCHELL:** The first problem is that all the islands are in trouble. There is a fundamental weakness in all the countries: in every island, the situation is that the rate of job creation does not match the rate of population growth. If we do not contain population growth in these islands, we will continue to be in a lot of trouble. This is one of the fundamental causes of our poverty.

Secondly, the problems of individual economies are dependent on problems outside the Caribbean. For example, the strong US dollar to which we are linked, and selling bananas in Pounds Sterling has meant that our income for banana exports has declined. A lot of Caribbean trade uses up money that comes in from outside the region, including money from tourism. So the decline we have suffered in our export income and in tourism income affects our capacity to purchase in the Caribbean... so we have a whole range of very awkward problems to deal with and while we can address our minds to try and sort out some of the problems, others may only solve themselves when the international situation improves.

## CUBA AND WESTMINSTER

*CC: What role do you see Cuba playing in the region?*

**MITCHELL:** Cuba is on the left. Let them do their thing. I am not going out to meet them at all. I am not going out on the left... I am not going out on the right.

*CC: You are on record as expressing disillusionment with the Westminster System of government. What system of government do you*

*think would be fair to the people of St. Vincent and the Grenadines?*

**MITCHELL:** I have had 19 years of practical experience. Rather than wait for rebels and radicals to explode and say this system is no good, I feel people, like myself, who have worked within the system should highlight the weaknesses of the system, and find a way to come up with the best system in the light of our experience.

Some people interpret this to say I like proportional representation. But as you know proportional representation has turned out to be a disaster in Guyana and prepared the framework for massive fraud. I am not into that. The systems I admire are the French and West German systems. In the French system, as many candidates for as many parties as possible may run for any village council, any regional council, for the Assembly or to be the President of France. But if you do not get 50% of the vote in the first ballot, two weeks later there is a second ballot where only the first two candidates are allowed to compete.

This forces the electorate to choose between two people and if

you are elected you are elected by a majority of the people. That will cut out a lot of the nonsense of the first past the post system where, for example, people in all parts of the Caribbean are holding seats in Parliament representing a minority of the votes and where you have political parties controlling an election with less than 50% of the votes.

If you take Britain, for example, Prime Minister Margaret Thatcher is in power with 43% of the votes, and the combined opposition got more than 50%. The West German system is a hybrid of the American, British and European systems where each person has two votes—one for a party of your choice and the other for the individual of your choice. So 50% of the votes go to political parties and 50% go to individual candidates. That combined vote then produces the Bundestag (West German Parliament).

*CC: Finally, Prime Minister, when your political career ends, what would you like to have accomplished for St. Vincent, and what would you like to be remembered for?*

**MITCHELL:** Well, I do not like to make those kinds of pontifical statements at all! But I would like to see my people happy. And I would like people to know that I stood for excellence in every field. That's all.

CSO: 3298/688

TRINIDAD AND TOBAGO

POLL GIVES NAR, ROBINSON COMMANDING LEADS IN POPULARITY

Poll Questions, Results

Port-of-Spain SUNDAY EXPRESS in English 12 May 85 p 1

[Text] If a general election were to be held today, the National Alliance for Reconstruction (NAR) would win by a landslide victory.

An opinion poll conducted by St Augustine Research Associates, headed by Dr Selwyn Ryan, reveals that in a straight contest between the People's National Movement (PNM) and the NAR, the latter would sweep the polls with 59 per cent support, while the PNM would get only 17 per cent.

"This," Dr Ryan concluded, "is the worst showing which the PNM has made since the polls were instituted some ten years ago."

Of those polled, 42 per cent were very dissatisfied with the performance of Prime Minister George Chambers, with only 17 per cent satisfied and 4 per cent very satisfied.

When asked which political leader they regarded "very favourably" and "somewhat favourably," the sample polled opted for A.N.R. Robinson (74 per cent), Basdeo Panday (63 per cent), and Karl Hudson-Phillips (41 per cent).

External Affairs Minister Errol Mahabir ranked the same as Hudson-Phillips (41 per cent), while Tapia's Lloyd Best rated 42 per cent.

But Prime Minister Chambers rated 29 per cent, coming just before John Donaldson (26 per cent).

Dr Ryan noted that in March 1981 the PNM's share of the poll was 28 per cent, as compared with 29 per cent for the Organisation for National Reconstruction (ONR).

When asked which party they would support if a general election were held today, 59 per cent replied NAR, 17 per cent PNM, 13 per cent said they didn't know, 10 per cent refused to say and there was no response from one per cent.

In a breakdown on how the various ethnic groups responded to the question, Dr Ryan found that only 26 per cent of the Africans interviewed said they would support the PNM while 48 per cent said they would endorse the NAR, with the remainder expressing uncertainty (15 per cent), or refusing to say (10 per cent) or respond, one per cent.

Seven per cent of Indians said they would support the PNM while 70 per cent plumped for the NAR. Twelve per cent indicated that they were still uncertain, while 10 per cent refused to say or respond. Fifty-nine per cent of the mixed population expressed support for the NAR and 26 per cent for the PNM.

A substantial majority of the sample (63 per cent) was of the view that a united opposition could defeat the PNM, while only 21 per cent thought not.

Dealing with the issue of whether the Organisation for National Reconstruction (ONR) should join forces with the NAR or contest separately, 54 per cent of those polled felt the ONR would be better advised to join the NAR, while 22 per cent felt the ONR should go it on its own.

#### Polling Considerations

Port-of-Spain SUNDAY EXPRESS in English 12 May 85 p 8

[Editorial: "Perilous Time for the PNM"]

[Excerpts]

PUBLIC OPINION polls are a relatively new science in Trinidad and Tobago, and especially where they involve the way the political wind is blowing, we can expect they will be either eagerly accepted or pooh-poohed as so much wishful thinking, depending on whose side the poll favours.

As it is, the latest poll conducted by St Augustine Research Associates for this newspaper on the likely outcome of the next general election is going to give those opposition parties in the National Alliance for Reconstruction (NAR) a shot in the arm; for the ruling People's National Movement (PNM), however, the poll is very bad news indeed.

There are some critical factors to be taken into account here, however. One is: the voters polled are overwhelmingly in favour of a united opposition front at the next general election. The NAR is preferred precisely for that reason. It obviously follows that without such a united approach, the ruling party would gain much lost ground. Indeed, without the NAR as an alternative, the PNM is quite likely to scrape back into power.

Another is the timing of the poll. Voters can and do change their minds and may very well do so between now and the calling of the next general election. The downturn in the economy, with its resulting

increase in unemployment, is undoubtedly a major cause of the current dissatisfaction with the ruling party, and that dissatisfaction is likely to change if the economy improves.

To the extent, then, that the poll does genuinely reflect public opinion at this time, the ruling party appears to have quite some running to do if it intends to maintain itself in office. Indeed, given the low popularity rating of its incumbent political leader, the party may well find itself facing the question of "Who We Go Put?".

Public opinion seems to have settled that question for the NAR, clearly plumping for Mr Robinson as the leader most favoured (33 per cent as

compared with 19 per cent for Mr Panday and a low 14 per cent for Mr Hudson-Phillips). Whether the PNM and the NAR can in fact settle these issues before the next general election will largely determine the final outcome.

CSO: 3298/676

TRINIDAD AND TOBAGO

MP GETS DEATH THREAT AFTER HITTING PNM POLICY ON BLACKS

Port-of-Spain SUNDAY EXPRESS in English 12 May 85 p 1

[Text] Opposition Member of Parliament for St Augustine John Humphrey got a death threat during Friday's sitting of the House of Representatives, as a result of statements he made in the House Thursday to the effect that African people in Trinidad and Tobago were only one step away from slavery under the People's National Movement (PNM).

The threat came in a letter which was delivered to Humphrey in his seat in the House. It was contained in a brown Government of Trinidad and Tobago envelope stamped "Urgent, Private and Confidential," but was addressed to the MP in care of the Office of the Leader of the Opposition.

"We have our suspicions as to where it came from," Humphrey said Friday night, adding that he and Opposition Leader Basdeo Panday had discussed the matter with House Speaker Matthew Ramcharan, who said he would refer it to Attorney General Russell Martineau and the Leader of Government Business in the House, Kamaluddin Mohammed.

"It is a breach of Parliamentary privilege," Humphrey said, stating that the letter was brought into the Parliament by someone and handed to a police officer.

The letter also threatened the lives of Panday and Nizam Mohammed, Opposition Chief Whip in Parliament.

Humphrey said the letter could only have been written by someone who either misunderstood or deliberately misinterpreted what he had said in the House the previous day.

CSO: 3298/676

TRINIDAD AND TOBAGO

PAPER SEES ANOMALY IN U.S. STANDS ON NICARAGUA, S. AFRICA

Port-of-Spain EXPRESS in English 8 May 85 p 8

[Editorial: "Nicaragua Today, S. Africa Tomorrow?"]

[Text]

THE TENSE situation in Central America is hardly likely to be eased by the United States imposition of a trade embargo against Nicaragua. If anything, the embargo, usually imposed by countries in a state of war, is likely to do two things: increase anti-American sentiment not only within Nicaragua but throughout Latin America, many of whose countries have come out openly against the embargo, and drive the Nicaraguan regime even further left.

While it is arguable that the Sandinistas have clearly opted for State control and that they were heading down the Moscow route anyway, we believe that the efforts of the Contadora group of countries, including large and influential States like Venezuela and Mexico, to bring about a solution to the Central American conflict, have not been explored sufficiently, or given enough time to have an impact.

Much more to the point, though, we read a high degree of double standards in this macho step by the Ronald Reagan administration in its own attempt to bring the Sandinista regime around to its own way of thinking. By imposing the trade embargo, the U.S. is making it obvious to both the Nicaraguans and the world that it strongly disapproves of that government's policies and that it is prepared to take stern action, short of an outright invasion, to express its displeasure.

What, then, of South Africa?

For decades, there have been efforts, some successful, others not at all successful, to bring the apartheid regime around to its sense by imposing a trade and economic embargo against that country. One of the reasons, in fact, that the racist regime in Pretoria has been able not only to survive but to increase its stranglehold over the black majority

population, is because sanctions of one kind or another have failed.

And they have failed precisely because while large industrialised countries like the United States have paid a great deal of lip service to bringing pressure to bear on Pretoria, the reality is that these large and powerful countries have looked the other way while trade and economic assistance by way of direct and indirect investment have continued unabated.

It is, to us, absolutely incredible that the United States can, on the one hand, slap a serious trade embargo, which we are certain is going to be rigidly imposed, against a country like Nicaragua while continuing its much gentler policy of quiet co-operation with the vile Pretoria regime.

Nicaragua's own peculiar history, like most of Latin America's, is one of colonialism, exploitation and, under the dictator,

Somoza, rule by oligarchy. That the people of Nicaragua should rise up and overthrow the likes of a Somoza is neither surprising nor necessarily a negative step. If, as the Reagan administration now argues, that process of lifting the yoke of servitude off the people's necks is being subverted by the communists, then we can understand where a strong, anti-communist U.S. administration is coming from.

Why is it, though, that the Reagan administration does not respond with the same firmness towards South Africa? Is it that in its scale of values, communists are worst than racists? If that is the case, we can predict a future scenario in South Africa where, the minute the black majority comes to power (and that is not as far away as some people might believe), its first response will be to distance

itself from the United States — and guess into whose eagerly waiting arms will they go?

Even at this moment, in Namibia, another African country under the control of racist South Africa, the anti-apartheid fighters, the South West People's Organisation (SWAPO), are armed by Eastern European countries, ideologically and materially.

Even at this moment, there are growing protests in the United States, by the American people, against the U.S. Government policy towards South Africa. Few Americans are marching in support of a trade embargo against Nicaragua. The Reagan administration ought to be very careful that in demonstrating its toughness against communist regimes, it does not at the same time expose its softness towards racists. That is simply not acceptable.

CSO: 3298/676

TRINIDAD AND TOBAGO

BOBB: RECESSION HELPED AVERT PRECIPITOUS ECONOMIC DECLINE

FL061906 Bridgetown CANA in English 1728 GMT 6 May 85

[By Debra Ransome]

[Text] Port-of-Spain, May 6, CANA--Real per capita income has fallen by at least 16 per cent in the last two years, unemployment has risen, but the current downturn the Trinidad and Tobago economy is experiencing has had its benefits, says Central Bank Governor Dr. Euric Bobb.

The governor's assessment of the economic situation came in a weekend lecture at the St. Augustine campus of the University of the West Indies (UWI) on the economic realities of Trinidad and Tobago in 1985 and prospects for the future.

Bobb said that during the early part of the economic decline here (1982-84), the government was forced to increase expenditure while revenue was falling and recurrent expenditure was rising sharply. He said this had led to massive budget deficits, but use of the foreign exchange reserves accumulated during the oil-boom years had cushioned the budget deficit.

Bobb added that even though foreign exchange reserves had fallen and the capacity to import was subsequently reduced, reserve levels--this country's first area of strength, according to the governor--were still more than adequate to meet liquidity requirements with a margin of reserves left for investment.

He said the benefits of the recession were a lower level of inflation, a reduction in the importation of non-essential consumer goods, and the improvement of work attitudes.

This is the context in which you must appreciate why indirect taxation has been increased, why transfers to the utilities and state enterprises must be reduced, why subsidies are being removed and why good capital projects have been deferred, the governor said.

The country's reserves, he added, had to fall in order to accommodate orderly transition to the new economic circumstances, he added. Without such a policy, the decline in economic activity would have been precipitous and the consequent dislocation possibly traumatic for the society as a whole.

On the gloomy side of the economic picture, Dr. Bobb said Trinidad and Tobago had a poorly developed technological capability in a highly technological world. He added that there were also weak information and industrial relations systems.

I see that the bottom line of the operation of our current system is generally lower worker productivity and morale, and wages and prices which are in many instances uncompetitive, he added.

The governor said both large companies and the self-employed had encountered falling profits, or even total shutdowns, and many people after years of service now encountered sharp falls in wage increase rates and fringe benefits.

The current economic situation was not part of the cyclical recession being experienced by industrial countries but part of fundamental structural and institutional changes in the international petroleum industry, he added.

Bobb said higher government spending to reflate the economy would be dangerous, as would be the blind faith and pious hope that the gods would smile and some unknown cause the economy to boom again.

The fact is that every citizen must understand and come to terms with the economic forces that affect us all and seek to correct the current economic problems, the governor added.

CSO: 3298/676

TRINIDAD AND TOBAGO

PRIME MINISTER HOLDS TALKS WITH BUSINESS LEADERS

Port-of-Spain TRINIDAD GUARDIAN in English 13 May 85 p 1

[Text]

PRIME MINISTER George Chambers met several businessmen in an informal session at the home of Port-of-Spain businessman Taran Seegobin on Saturday night.

Sources said yesterday the meeting which was a "pretty lengthy one" was productive.

One of the businessmen who attended said: "This is a step in the right direction. It is good that the Prime Minister should come down and meet the people who are directly involved in the hard and tumble world of day-to-day business operations."

Accompanying Mr. Chambers, according to the source, were Industry and Commerce Minister Senator Wendell Mottley; Minister of State Enterprises Ronald Williams and Senator Anthony Jacelon, Minister in the Ministry of Finance.

The sources said: "Mr. Chambers met the various businessmen who represented sectors such as manufacturing, petroleum, construction and the banking community.

"I got the impression that he wanted to get information on how

to improve the relationship between the public and the private sectors. It was also what you might call a familiarisation affair.

"We exchanged ideas on what could be done to see the country through this tough period when the economy is in a critical condition. It is expected that the represented groups would crystallise their ideas by way of memoranda to the Prime Minister."

Efforts to contact Mr. Seegobin, Managing Director of Trade Confi-

mers Limited, were unsuccessful.

But when contacted at his Mara-  
val home, Mr. Len Hackshaw, Presi-  
dent of the Trinidad and Tobago  
Chamber of Commerce, told the  
"Guardian" yesterday afternoon:  
"Really, I have no information to  
give because I did not attend, ...I  
was not invited."

Mr. Hackshaw and Mr. Chambers  
met recently in the Prime Minis-  
ter's office and discussed matters  
affecting the business sector.

CSO: 3298/677

TRINIDAD AND TOBAGO

**BALANCE OF TRADE FIGURES SHOWING FAVORABLE TREND**

Port-of-Spain EXPRESS in English 9 May 85 p 5

[Text]

TRINIDAD and Tobago has recorded a favourable balance of visible trade for the month of February 1985.

According to a bulletin released by the Central Statistical Office, this country's exports for February amounted to \$436.5 million while total goods imported valued \$285.6 million.

During February 1984, exports valued \$417.4 million while imports during the same period totalled \$341.6 million.

Between January and February 1985, this country imported goods worth \$734.8 million. Total exports amounted to \$928.1 million of which \$901.7 million represented domestic exports.

A favourable balance of visible trade totalling \$193.3 million was recorded for this period. However, for the same period in 1984, imports valued \$709 million and exports \$683.6 million.

The petroleum sector accounted for 8 per cent of total imports and 79.5 per cent of total exports between January and February this year.

Total imports for January to February 1985, when compared with total imports for the same period in 1984, showed that mineral fuels, lubricants and related materials increased by \$56 million and machinery and transport equipment by \$28.6 million.

However, there were decreases in the imports of food and live animals by \$23.8 million, manufactured goods by \$15.8 million, beverages and tobacco by \$8.1 million, crude materials by \$5.9 million, chemicals by \$3 million and animal and vegetable oils and fats by \$2.5 million.

A comparison of total exports for both reference periods showed that in the same period for 1985, mineral fuels, lubricants and related materials increased by \$195.8 million, chemicals by \$27.3 million, machinery and transport equipment by \$11.2 million.

CSO: 3298/677 •

TRINIDAD AND TOBAGO

MANNING DISCUSSES PROSPECTS FOR NATURAL GAS EARNINGS

Port-of-Spain TRINIDAD GUARDIAN in English 7 May 85 p 7

[Text]

**SAN FERNANDO:**  
MINISTER of Energy and Natural Resources, Mr Patrick Manning has identified natural gas as the large revenue earner in the future for Trinidad and Tobago.

Further, he believes that fertilisers and methanol could well make up for the shortfall in oil revenue of the country.

He made that projection when questioned about the feelings of some who believe that those two products could fill the gap for the shortfall in oil revenues. Those who have that feeling are quite right, he said.

The minister was at the time speaking at a news conference after he held another of his technical meetings with chemical industries at Point Lisas.

This time he visited Fertilisers of Trinidad and Tobago Limited (Fertrin) which is a joint venture between Amoco Oil Company and the Government.

The Minister said that when the Point Lisas estate was conceived shortly after 1973 when oil prices went up, one of the things they recognised as a society and as a Government they had to do "was to orient our affairs that we reduce the dependence on oil and identify natural gas as perhaps, as the larger revenue of the future."

He said that at that time they decided to enter into industries which in due course will be able to generate revenues that could offset any revenue losses as a result of oil production declines.

"As I have said elsewhere, ammonia plants processing units on the whole do not become profitable in one or two days. It takes sometime. You have debts to service, capital repayments that must be made. So that it is over a period of time that these things become profitable."

He said one tends to look at the profitability of these process units over a 15-year period. "We look at it in relation to what your output has been how much money has been expended in setting up the units, and the total revenue that will be generated in that time frame."

Mr Manning said that looking at it from that stand point, one expects that in due course, all these units will become profitable. There is an element of projection in it because one has to look into the future.

"We can only predict what is likely to happen on the basis of what has happened in the past, had on the basis of what they believe is likely to take place. "He said that he sees a gradual increase in ammonia prices in 1990.

CSO: 3298/677

TRINIDAD AND TOBAGO

1985 CANE HARVEST ENDS; PRODUCTION TOTALS REPORTED

Port-of-Spain EXPRESS in English 6 May 85 p 4

[Text]

STATE-OWNED Caroni Ltd yesterday closed down the Brechin Castle Sugar Factory, signalling the coming to an end of the 1985 sugar crop.

It was learnt that the Usine Ste Madeleine Sugar Factory would cease grinding operations on Friday. But the EXPRESS San Fernando Desk was informed that sugar workers would continue to be paid crop rates until the end of May. The industrial agreement with All Trinidad Sugar and General Workers Trade Union provides for such payments to continue until May 31 in any crop year.

Caroni is reportedly very close to achieving

the 80,000-tonne sugar target set at the beginning of the crop. As at April 26, the company had produced 78,835 tonnes of sugar from 1,740,000 tonnes of cane. The TC/TS ratio had been 12:69. This was 1,165 tonnes short of the target.

At April 26, the Brechin Castle factory had produced 32,102 tonnes of sugar from 452,000 tonnes of cane while the Usine Ste Madeleine factory produced 28,109 tonnes of sugar from 359,000 tonnes of cane.

The crop would be closed because Caroni had reaped all the available canes so far. This year, to date, farmers had provided 279,038 tonnes of cane while the company reaped 535,028 tonnes.

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TRINIDAD AND TOBAGO

BUSINESS COMMUNITY ALLEGEDLY INVOLVED IN DRUG TRAFFICKING

Port-of-Spain EXPRESS in English 7 May 85 p 1

[Article by Andy Johnson]

[Text]

**BUSINESS PEOPLE** in Port of Spain are believed to be involved in the shipments of increasing volumes of cocaine and other illicit drugs into Trinidad and Tobago, as the Government struggles to come to grips with the problem which is now receiving nationwide attention.

Police sources have told the EXPRESS there was information to suggest that certain members of the Port of Spain business community are chiefly responsible for the fact that since 1978, the volumes of cocaine brought into the country had increased, despite relentless efforts by the police to stem the tide.

It has been disclosed that in 1978 police seized five-eights of a gram of cocaine and three persons were arrested for possession of the drug. In 1984, according to figures revealed during an EXPRESS investigation, eight kilos were seized while 189 persons were arrested and charged with possession.

There has been a steady increase in the volume of drugs brought into the country during this period, according to the statistics on police seizures and arrests.

In 1979, eight persons were arrested and police seized 162 grams of "coke". In 1980, five persons were arrested and police seized 80 grams. The following year, 55 persons were arrested and charged for possession of the drug while 2,102 grams were seized.

In 1982 the number of arrests went to 89 and 2,575 grams of cocaine ended up in the hands of the police. Some 150 persons were picked up for possession the following year, along with a total of 15 kilos.

According to the information which was made available to the EXPRESS, Venezuela and Colombia are the two main sources of the shipments which arrive at illegal posts along the open southern coasts, passing through the Cedros district on its way to distribution centres across the country.

During this period, six Colombians, six Americans, five Venezuelans, two Barbadians, two Guyanese, two Vincentians, two Grenadians and one German national were among those arrested and charged for being in possession of cocaine in Trinidad and Tobago.

A number of Port of Spain business people have also been fingered in the drug operations which were carried out by the Narcotics Squad, under the direction of Assistant Superintendent David Jack.

It has also been revealed that there was a definite correlation between the shipments of cocaine in the country and the trade in U.S. currency on the streets.

But, according to one police source last week, the cleverness of some of the operators has made it difficult for the police to nail some of the suspects in the drug running operations, which led Chief Justice Cecil Kelsick to call for the death penalty for drug pushers.

It is said the cocaine traffic in Trinidad and Tobago had its genesis in the established relationships between Venezuelan and local traders in contraband whisky.

The drug was first being used among the more affluent members of the society but its influence spread rapidly throughout all social groups and is said to be used frequently by persons between the ages of 14 and 56. Heavy users are concentrated in the age group 19 to 35, according to the statistics.

Police also disclosed that certain known drug dealers across the country have as many as 40 convictions or charges pending, all related to drug operations or incidents connected to these operations.

Permanent Secretary in the Ministry of National Security, Leo Seeberan, said last week that a Cabinet committee was investigating the extent of the drug problem in the country with a view to making recommendations on how to suppress it.

And it is expected that National Security Minister, Overand Padmore, would deliver a comprehensive statement on the problem tomorrow, for the first time since he assumed his current portfolio six weeks ago.

Padmore is expected to speak to reporters at the end of a two-day tour of several agencies under his ministry and a visit to the Malick-Barataria area, said to be a high crime centre.

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END